

VIRGINIA: BEFORE THE COMMISSION ON LOCAL GOVERNMENT

In the matter of the Notice by the TOWN OF LEESBURG, VIRGINIA, a municipal corporation of the Commonwealth of Virginia, of its intention to petition for the annexation of territory within THE COUNTY OF LOUDOUN, a political subdivision of the Commonwealth of Virginia, pursuant to Chapter 32 of Title 15.2 of the Code of Virginia (1950), as amended.

RESPONSIVE PLEADING OF THE COUNTY OF LOUDOUN AND SUPPORTING NARRATIVE, INFORMATION, CITATIONS, AND MATERIALS

COUNTY OF LOUDOUN, VIRGINIA

County Administrator

Tim Hemstreet

Board of Supervisors

Phyllis J. Randall, Chair At-Large
Koran T. Saines, Vice Chair, Sterling District
Juli E. Briskman, Algonkian District
Michael R. Turner, Ashburn District
Tony R. Buffington, Jr., Blue Ridge District
Sylvia R. Glass, Broad Run District
Caleb A. Kershner, Catoctin District
Matthew F. Letourneau, Dulles District
Kristen C. Umstattd, Leesburg District

Dated July 7, 2023

County Attorney

Andrew R. McRoberts, Esq. (VSB No. 31882)
Maxwell C. Hlavin, Esq. (VSB No. 86066)
SANDS ANDERSON PC
1111 East Main Street, 23rd Floor (23219)
Post Office Box 1998
Richmond, Virginia 23218-1998
Telephone: (804) 783-7211
Facsimile: (804) 783-7291
E-mail: amcroberts@sandsanderson.com
E-mail: mhlavin@sandsanderson.com
Counsel for the County of Loudoun, Virginia

Leo P. Rogers, Esq. (VSB No. 28906)
Nicholas Lawrence, Esq. (VSB No. 76964)
Loudoun County Attorney
1 Harrison St., SE, PO Box 7000
Leesburg, VA 20177-7000
(703) 777-0307 (office)
(703) 7711-5025 (facsimile)
Email: leo.rogers@loudoun.gov
Email: nicholas.lawrence@loudoun.gov

Table of Contents

| | |
|--|-----|
| Section 1: Responsive Pleading..... | 1 |
| Section 2: Introduction and Background..... | 7 |
| Section 3: Maps..... | 24 |
| Section 4: Demographic and Statistical Information..... | 57 |
| Section 5: Financial Information..... | 66 |
| Section 6: Lack of Need for Leesburg to Expand its Tax Resources..... | 78 |
| Section 7: Lack of Need for Leesburg to Obtain Land for Industrial and Commercial Development | 96 |
| Section 8: County Services..... | 115 |
| Section 9: Compliance with State Policies..... | 211 |
| Section 10: Community of Interest..... | 245 |
| Section 11: Adverse Effect on the County and Commonwealth..... | 247 |
| Section 12: Conclusion..... | 254 |
| Section 13: Annotated List of Documents, Exhibits, and Other Material..... | 258 |
| Section 14: Appendixes..... | 260 |
| Appendix A – PFM Report | |
| Appendix B.1 – RKG Technical Memo | |
| Appendix B.2 – RKG Annex. Analysis | |
| Appendix C – LW Project Update | |
| Appendix D – IACP Analysis | |

List of Figures

| | |
|---|-----|
| Figure 1. County Population Growth 1950-2020 | 12 |
| Figure 2. Loudoun County 2022 Election Districts (Portion)..... | 14 |
| Figure 3. County Population Growth and Rate..... | 58 |
| Figure 4. Population Trends: Loudoun County | 59 |
| Figure 5. Population Trends: Town of Leesburg | 60 |
| Figure 6. Comparison of Unrestricted Fund Balances..... | 87 |
| Figure 7. Comparison of Historical Area Tax Rates..... | 89 |
| Figure 8. Estimated Additional Town Revenue with Tax Effort..... | 90 |
| Figure 9. Town of Leesburg Debt as a Percentage of Assessed Value..... | 92 |
| Figure 10. Comparison of Taxable Building Square Footage in the County..... | 11. |
| Comparison of Taxable Developed Acreage in the County by Type | 99 |
| Figure 12. Comparison of Vacant Acreage in the County by Type..... | 100 |
| Figure 13. Comparison of Non-Residential Vacant Land in the County by Type | 101 |
| Figure 14. Comparison of Commercial Development in the County by Subtype Acreage..... | 102 |
| Figure 15. Comparison of Commercial Development in the County by Subtype of Building Square Footage..... | 103 |
| Figure 16. Comparison of Industrial Development in the County by Subtype Acreage | 104 |
| Figure 17. Comparison of Industrial Development in the County by Subtype of Building Square Footage..... | 105 |
| Figure 18. Historical Average of Non-Residential Development in the County per Developed Acre | 106 |
| Figure 19. Comparison of Non-Residential Developed Acreage in Region..... | 109 |
| Figure 20. Comparison of Non-Residential Developed Acreage in Region..... | 110 |
| Figure 21. Comparison of Non-Residential Vacant Acreage in Region..... | 111 |
| Figure 22. Comparison of Non-Residential Developed Acreage in Region by Type | 112 |
| Figure 23. Loudoun Water Central Water and Sewer Project Areas | 117 |
| Figure 24. Comparison of Average Residential Utility Bill in Region..... | 121 |
| Figure 25. Loudoun Water Ten Year Cash Forecast | 122 |
| Figure 26. Loudoun Water – Water Projects | 128 |
| Figure 27. Loudoun Water – Sewer Projects | 132 |
| Figure 28. Leesburg’s Water and Sewer Capacity Considerations..... | 135 |

Figure 29. Current Road Maintenance in the APA..... 170
Figure 30. Taxable Vacant Parcels in the County..... 247

List of Tables

| | |
|---|----|
| Table 1. Loudoun County’s Population Growth..... | 57 |
| Table 2. Loudoun County’s Share of Growth in the Region | 58 |
| Table 3. Weldon Cooper Population Projections..... | 60 |
| Table 4. Demographic Data Table | 61 |
| Table 5. Housing Occupancy | 61 |
| Table 6. School Enrollment | 62 |
| Table 7. School Student Projections | 63 |
| Table 8. County and Town Land Use by Zone..... | 63 |
| Table 9. Acreage in County and Town by Land Use..... | 64 |
| Table 10. County and Town Developed Acreage by Land Use | 64 |
| Table 11. County and Town Vacant Acreage by Land Use" | 65 |
| Table 12. Loudoun County Assessed Value of Taxable Property | 66 |
| Table 13. Town of Leesburg Assessed Value of Taxable Property..... | 67 |
| Table 14. Ratio of Assessed to True Value of Property in Loudoun County, 2010 to Present | 67 |
| Table 15. APA Taxable Assessed Value (Past Year) | 68 |
| Table 16. Historical Tax Rates in Town and County 2010 to Present..... | 68 |
| Table 17. Historical Tax Rates in Proposed Annexation Area 2010 to Present | 69 |
| Table 18. Loudoun County Local Non-Property Tax Rates, FY2010 to FY2023..... | 70 |
| Table 19. Summary of Town of Leesburg Local Revenues | 71 |
| Table 20. Summary of Town of Leesburg Total Revenues | 71 |
| Table 21. Summary of Loudoun County Local Revenues..... | 72 |
| Table 22. Summary of Loudoun County Total Revenues | 72 |
| Table 23. APA Revenues (Past Year)..... | 73 |
| Table 24. Loudoun County Long-term Debt | 74 |
| Table 25. Comparison of Historical Taxable Assessed Value Per Capita..... | 83 |
| Table 26. Comparison of Recent Taxable Assessed Value | 83 |
| Table 27. Leesburg per capita Revenues & Expenditures | 85 |
| Table 28. Leesburg’s Fund Balance as a % of General Fund Expenditures..... | 86 |
| Table 29. Breakdown of Leesburg’s FY21 & FY22 Fund Balance | 87 |
| Table 30. Comparison of FY2022 Fund Balances..... | 88 |

| | |
|--|-----|
| Table 31. Comparison of Area Tax Rates..... | 89 |
| Table 32. Comparison of Average 2022 Residential Tax Bill..... | 91 |
| Table 33. Demographic Profiles | 94 |
| Table 34. Projected Build-Out in County Areas..... | 107 |
| Table 35. Loudoun Water – Water System Capacity | 124 |
| Table 36. Loudoun Water – Sewer System Capacity | 130 |
| Table 37. Inside-town versus Outside-town Rates (Rates Effective 7/1/2022-6/30/23..... | 141 |
| Table 38. Loudoun Water Utility Usage Rates (Effective 1/1/2023-12/31/23)..... | 141 |
| Table 39. County Zoning and Development Plans in the APA | 162 |
| Table 40. Expected Additional Taxation | 255 |

Section 1
Responsive Pleading

VIRGINIA: BEFORE THE COMMISSION ON LOCAL GOVERNMENT

In the matter of the Notice by the TOWN OF LEESBURG, VIRGINIA, a municipal corporation of the Commonwealth of Virginia, of its intention to petition for the annexation of territory within THE COUNTY OF LOUDOUN, a political subdivision of the Commonwealth of Virginia, pursuant to Chapter 32 of Title 15.2 of the Code of Virginia (1950), as amended.

**RESPONSIVE PLEADING OF THE COUNTY OF LOUDOUN TO
NOTICE BY THE TOWN OF LEESBURG
OF ITS INTENTION TO PETITION FOR ANNEXATION
OF TERRITORY IN THE COUNTY OF LOUDOUN**

COMES NOW the County of Loudoun, Virginia (“Loudoun” or the “County”) and files its response to the notice given by the Town of Leesburg, Virginia (“Leesburg” or the “Town”) to the Commission on Local Government (the “Commission”) and the County of its intention to petition the Circuit Court of Loudoun County for the annexation of territory in the County. In support of its response, Loudoun states as follows:

1. On September 28, 2022 Loudoun received a notice by the Town of Leesburg of its intention to petition for annexation of territory in the County of Loudoun (the “Notice”) filed with the Commission.
2. By agreement of the parties, the submittal date for Loudoun’s initial responsive filing was set by the Commission for February 1, 2023.
3. By further agreement of the parties, the submittal date for Loudoun’s initial responsive filing was deferred by the Commission to July 7, 2023.

4. The allegations in paragraph 1 of the pleading found in Section II of the Notice (the “Pleading”) are admitted in part and denied in part. The County admits that the resolution attached as Section III of the Notice speaks for itself. To the extent necessary, the County denies the allegations, policy statements, and conclusions contained in the September 13, 2022 Resolution referred to in paragraph 1 of the Pleading.
5. The County lacks sufficient information to admit or deny the allegations in paragraphs 2 and 3 of the Pleading; therefore, to the extent a response is required, the County denies.
6. The allegations in paragraph 4 of the Pleading are admitted in part and denied in part. The County admits that the Town provided narrative and other materials attached to the Notice; however, to the extent that paragraph alleges that the Notice and its accompanying narrative and materials are fully or adequately responsive to the relevant elements set forth in 1 Va. Admin. Code § 50-20-540, or other applicable law, the allegations are denied.
7. The allegations in paragraph 5 of the Pleading are admitted.
8. The allegations in paragraph 6 of the Pleading are admitted in part and denied in part. The County admits that the Town provided narrative and other materials attached to the Notice and the Town has certified its materials as stated in paragraph 6 of the Pleading. To the extent necessary the County denies the truth, accuracy, and correctness of the narrative and other materials.
9. The allegations in paragraph 7 of the Pleading are denied.
10. In response to the Notice, and pursuant to 1 Va. Admin. Code § 50-20-180(D), the County submits the narrative, data, exhibits, citations, documents, and other material contained and referenced herein for the Commission’s review and consideration.

11. The Town's Notice fails to state a claim and allege sufficient facts that the annexation proposed by the Town meet the legal requirements of necessity and expediency as required by law. *See* Va. Code §§ 15.2-2907(B), 15.2-3209.
12. The Town's Notice fails to provide the Commission with sufficient or persuasive data and other evidence responsive to the elements relevant to the Commission's consideration under 1 Va. Admin. Code 50-20-540.
13. The annexation proposed in the Town's Notice is not necessary and no adequate data or other evidence supports such a claim.
14. The Town's primary motivation in this proceeding is to impose additional municipal taxation on the industrially zoned areas proposed for annexation, which contain existing and proposed data centers.
15. The Town has no need to expand its tax resources and no meaningful data or other evidence supports such a claim. The Town has more-than-adequate revenues despite comparatively low tax rates, as well as enormous reserves which have continued to grow while the Town has reduced its real property tax rate.
16. The Town has no need to obtain land for industrial or commercial development. The Town has adequate areas available for future development and redevelopment within its existing boundaries.
17. The areas proposed for annexation are already under development and would provide the Town with essentially no "vacant" land, which forms the basis of the Town's claim for need in Section XI(C) of the Notice. The proposed annexation will not spur any new commercial or industrial land development.

18. The need of the areas proposed for annexation by the Town for general local government services are being fully met by the County. The proposed annexation will not result in any improved services for the properties or property owners in the areas that are the subject of the Notice.
19. The Town has failed to identify data or evidence that show the necessity for new utility improvements or additional local government services that are not currently being provided, or planned for construction, in a fully adequate manner.
20. There is no community of interest between the areas proposed for annexation and the citizens of the Town, or the Town government generally, and the Notice fails to provide any data or evidence to support such a claim.
21. The Town only seeks to impose additional and burdensome municipal taxes on the property owners of the areas identified without any meaningful benefit to such properties or property owners.
22. The annexation proposed by the Town is not in the best interests of Loudoun County nor in the best interests of other citizens and property owners of Loudoun County, including those residing in the Town, particularly those relying on the Town for utility service.
23. Pursuant to 1 Va. Admin. Code § 50-20-180(D), the County designates the following individual as the principal contact for the Commission:

Andrew R. McRoberts, Esq. (VSB No. 31882)
SANDS ANDERSON PC
1111 East Main Street, 23rd Floor (23219)
Post Office Box 1998
Richmond, Virginia 23218-1998
Telephone: (804) 783-7211
Facsimile: (804) 783-7291
E-mail: amcroberts@sandsanderson.com
Title: *Counsel for the County of Loudoun, Virginia*

24. Pursuant to 1 Va. Admin. Code § 50-20-390(L), the County certifies that all data, exhibits, materials, and documents submitted as part of this Response are correct (i) as to source and (ii) that the material is correct within the knowledge of the County's officials.
25. Concurrent with this filing, Leesburg was provided with a copy of this Response and an annotated listing of all documents, exhibits, and other material submitted to the Commission by the County. Also concurrent with this filing, the County is providing a copy of the Responsive Pleading to all localities identified in Section IV of the Town's Notice.
26. The County reserves the right to correct, supplement, and amplify the data, exhibits, documents, or other material submitted to the Commission consistent with 1 Va. Admin. Code § 50-20-1 *et seq.*
27. For the reasons stated herein and as later presented to the Commission, the proposed annexation is neither necessary nor expedient, it being:
 - a. unsupported by factual allegations or data and evidence,
 - b. contrary to the best interests of the people of the County and the Town,
 - c. contrary to the best interests of the properties and property owners of the area proposed to be annexed,
 - d. inconsistent with the needs of the people and properties of the area proposed to be annexed,
 - e. not in the best interests of the Commonwealth in promoting strong and viable units of government, and
 - f. in conflict with Commonwealth policies.

WHEREFORE, the County respectfully requests that the Commission make appropriate findings in opposition to Leesburg's Notice and issue a report recommending denial of the proposed annexation.

Submitted this 7th day of July, 2023.

COUNTY OF LOUDOUN, VIRGINIA

By: 

Andrew R. McRoberts, Esq. (VSB No. 31882)
Maxwell C. Hlavin, Esq. (VSB No. 86066)
SANDS ANDERSON PC
1111 East Main Street, 23rd Floor (23219)
Post Office Box 1998
Richmond, Virginia 23218-1998
Telephone: (804) 783-7211
Facsimile: (804) 783-7291
E-mail: amcroberts@sandsanderson.com
E-mail: mhlavin@sandsanderson.com
Counsel for the County of Loudoun, Virginia

County Attorney:
Leo P. Rogers, Esq. (VSB No. 28906)
Nicholas Lawrence, Esq. (VSB No. 76964)
Loudoun County Attorney
1 Harrison St., SE, PO Box 7000
Leesburg, VA 20177-7000
(703) 777-0307 (office)
(703) 7711-5025 (facsimile)
Email: leo.rogers@loudoun.gov
Email: nicholas.lawrence@loudoun.gov

Section 2 Introduction and Background

I. Introduction

On behalf of Loudoun County, Virginia (“Loudoun” or the “County”), the following narrative, facts, maps, tables, figures, citations, and appendices are provided to the Commission on Local Government (the “Commission”) in response to the notice filed by the Town of Leesburg, Virginia (“Leesburg” or the “Town”) declaring its intent to petition the Circuit Court of Loudoun County to enter an order annexing over 400 acres of land located in the County into the Town (referred to and cited herein as “Notice”). The approximately 403 acres of land that is the subject of the Notice is described in Notice Sec. V and shown on Map 1 and Map 2 contained in Notice Sec. VI (the “Area of Proposed Annexation” or “APA”).¹

The County supports the reasonable and necessary expansion of municipal jurisdictional boundaries, including those of Leesburg, when desired by the County’s affected landowners and consistent with adopted policies.² Specific to the Notice and the entirety of the parcels contained in the APA, those criteria are not met. Here, Leesburg seeks to annex unincorporated land that is already under development for the simple purpose of exacting unneeded revenue in the form of additional taxation. The data demonstrate that the desired annexation is completely unnecessary for Leesburg’s ongoing strength and viability as a town. The Commission’s investigation and analysis may find, however, that the desired annexation is consistent with a prospective intent to seek city status, a process long discouraged by the policies of the Commonwealth as promulgated

¹ Notice at 34–37; Maps 1, 2.

² Loudoun County Board of Supervisors, Loudoun County 2019 General Plan, 2-131 (adopted June 20, 2019, as amended through Feb. 7, 2023) [hereinafter Loudoun General Plan], <https://www.loudoun.gov/DocumentCenter/View/152285>.

by the General Assembly.³ In fact, during pre-Notice conversations held between the parties related to the County’s planning for the industrial portions of the APA, Town Manager Kaj Dentier exclaimed that the revenue the Town might realize from such development being located within the Town’s jurisdiction would pay for city status.⁴

In a circumstance such as this, where Leesburg’s desired annexation is inconsistent with County policy and the landowners’ wishes but is nevertheless pursued by the Town, the Commission is tasked with examining whether the annexation is both necessary and expedient considering the best interests of the people of the County and the Town, services to be rendered and needs of the people of the APA, the best interests of the people in the remaining portion of the County, and the best interests of the Commonwealth in promoting strong and viable units of government.⁵

To determine whether a petition for annexation should be granted, Virginia Code § 15.2-3209 directs courts, and thus the Commission, to determine “the necessity for and expediency of annexation.” This “necessity and expediency test” is based on “the best interests of the people of the county and the city or town, services to be rendered and needs of the people of the area proposed to be annexed, the best interests of the people in the remaining portion of the county and the best interests of the Commonwealth in promoting strong and viable units of government.”⁶

The annexing city or town has the burden of proof to demonstrate the necessity and expediency of annexation.⁷ If the evidence does not demonstrate the “necessity for and expedience

³ See Va. Code § 15.2-3201; 2023 Va. Acts Ch. 422.

⁴ Leo Rogers, Loudoun County Attorney.

⁵ See Va. Code §§ 15.2-2907(B), 15.2-3209.

⁶ See Va. Code § 15.2-3209.

⁷ *City of Roanoke v. Roanoke Cnty.*, 204 Va. 157, 161–62 (1963); *Rockingham Cnty. v. Town of Timberville*, 201 Va. 303, 307 (1959).

of annexation,” a decision supporting annexation “cannot stand,” and the petition must be dismissed.⁸

Section 15.2-3209 identifies nine factors the court must consider, to the extent relevant, in applying the “necessity and expediency test.” These factors are:

1. The need for urban services in the proposed area of annexation, the level of services provided in the annexing locality, and the ability of the annexing locality to provide services in the area sought to be annexed;
2. The current relative level of services provided by the county and the city or town;
3. The efforts by the county and the city or town to comply with applicable state policies with respect to environmental protection, public planning, education, public transportation, housing, or other state service policies;
4. The community of interest which may exist between the petitioner, the territory sought to be annexed and its citizens as well as the community of interest that exists between such area and its citizens and the county;
5. Any arbitrary prior refusal by the governing body of the petitioner or the county whose territory is sought to be annexed to enter into cooperative agreements providing for joint activities which would have benefited citizens of both localities;
6. The need for the city or town seeking to annex to expand its tax resources, including its real estate and personal property tax base;

⁸ *Rockingham Cnty.*, 201 Va. at 307; Va. Code § 15.2-3209.

7. The need for the city or town seeking to annex to obtain land for industrial or commercial use, together with the adverse effect on a county of the loss of areas suitable and developable for industrial or commercial uses;
8. The adverse effect of the loss of tax resources and public facilities on the ability of the county to provide service to the people in the remaining portion of the county; and
9. The adverse impact on agricultural operations in the area proposed for annexation.

In applying these factors to specific cases, The Virginia Supreme Court has found the following factors do *not* weigh in favor of satisfying the “necessity and expediency test:”

- Better or improved urban services for the annexed area if the existing services are adequate;⁹
- The need or desire of the annexing locality for increased tax revenue, especially when the annexing locality has not maximized its existing sources of revenue;¹⁰ and
- A need for vacant land if the addition of vacant land in the annexed area does not meaningfully solve existing problems or support stated growth objectives.¹¹

Within this response, the County has endeavored to provide information relevant to the Commission’s consideration of these factors in accordance with the regulations, and supplementary to that provided in the Notice.¹² Although the investigation and analysis needed to report recommendations falls within the capable hands of the Commission, the County respectfully

⁹ See *City of Hopewell v. Cnty. of Prince George*, 240 Va. 306, 315–16 (1990); *City of Alexandria v. Fairfax Cnty.*, 212 Va. 437, 440 (1971).

¹⁰ *City of Hopewell*, 240 Va. at 317–19; *City of Alexandria*, 212 Va. at 441; *Rockingham Cnty.*, 201 Va. at 308–09.

¹¹ *City of Hopewell*, 240 Va. at 319–21; *City of Alexandria*, 212 Va. at 441.

¹² See 1 Va. Admin. Code 50-20-180(D), 50-20-540.

submits that the desired annexation proposed in the Notice is not needed by the Town, either now or in the foreseeable future, and is contrary to the public interest.

II. General Information

A. Profile

Loudoun County, once an agrarian community, is a growing, dynamic county of over 420,000 people that has become known for its beautiful scenery, rich history, and healthy diversity of expanding business opportunities, comfortable neighborhoods, and high-quality public services. Leesburg, as the seat of the County's government since Loudoun's establishment in 1757, has long occupied a special place in the County, being interconnected with the locus of County government.¹³

The County is located in the northwestern tip of the Commonwealth of Virginia, 25 miles northwest of Washington, DC, and is part of the Northern Virginia and Washington Metropolitan areas. Loudoun has a land area of 515.74 square miles, making it the 20th largest county in the Commonwealth.¹⁴ The County is bounded on the east by Fairfax County, on the south by Fauquier County and Prince William County, on the southwest by Clarke County, on the northwest by Jefferson County, West Virginia, and on the north by the Potomac River (across which lie Frederick, Washington, and Montgomery counties in the State of Maryland). See Section 3, Map 1.

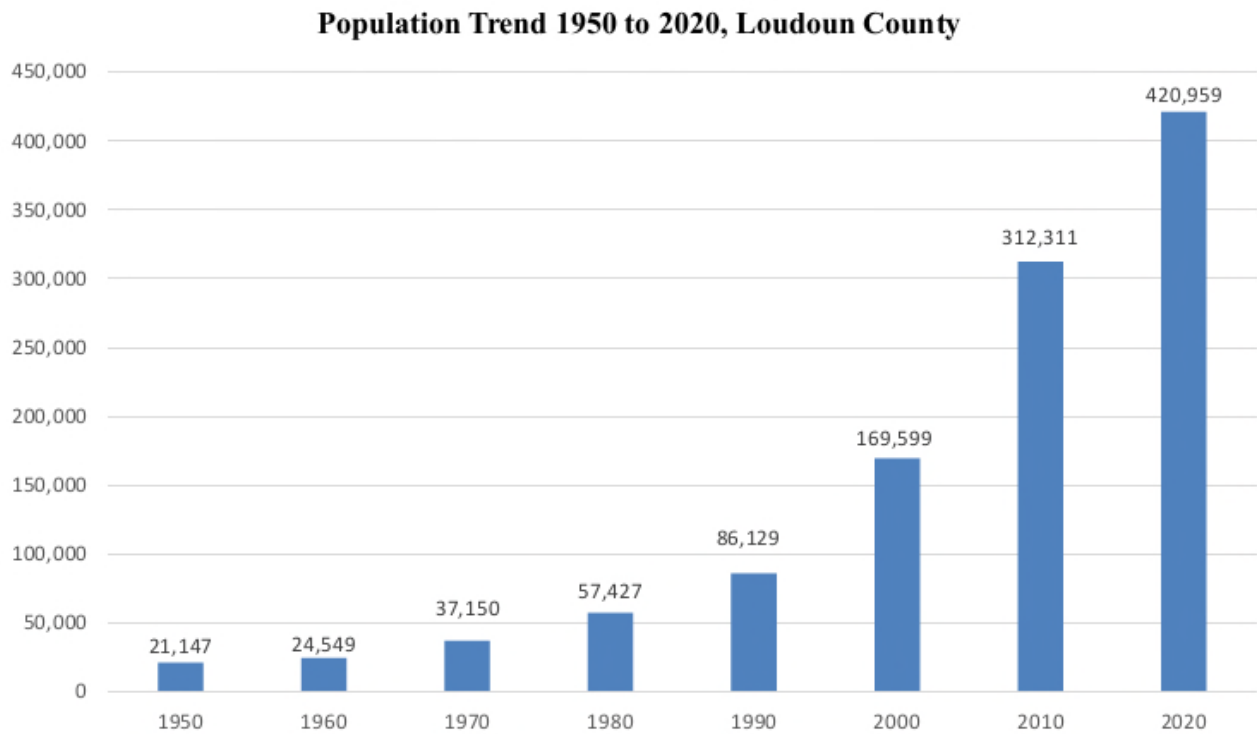
B. Explosive Growth

¹³ See Loudoun County, Virginia, [FY2024 Adopted Budget Vol. 1](#) [hereinafter FY24 Adopted Budget], at i5, <https://www.loudoun.gov/DocumentCenter/View/176029>. The County's filing was substantially prepared prior to the publication and effective date of the FY2024 Adopted Budget; consequently, many references are made to the County's Proposed FY2024 Budget. The County does not expect any material differences to cited information; however, should any necessary changes be identified, the County will produce an errata for the benefit of the Commission and the parties.

¹⁴ U.S. Census Bureau, [Profile for Loudoun County, Virginia](#), [https://data.census.gov/profile/Loudoun County, Virginia?g=050XX00US51107](https://data.census.gov/profile/Loudoun%20County,%20Virginia?g=050XX00US51107); U.S. Census Bureau, [QuickFacts for Loudoun County, Virginia](#), <https://www.census.gov/quickfacts/loudouncountyvirginia>.

The County has experienced explosive population growth over the past seventy years, growing from 21,147 residents in 1950 to 420,959 in 2020.¹⁵ In the most recent decades Loudoun’s population has continued its trend of significant growth, and has consistently represented about one-third of the region’s population growth.¹⁶ Additional data and narrative related to population and demographics can be found in Section 4 *infra*. Loudoun County also maintains an interactive online view of the County’s demographic forecasts.¹⁷

Figure 1. County Population Growth 1950-2020¹⁸



The portion of the County lying east of Leesburg has absorbed a great deal of this growth and is characterized by urban and suburban development due to its proximity to Washington, D.C. By contrast, the nearly two-thirds of the County located west of Leesburg is characterized by

¹⁵ Loudoun County Department of Budget and Finance, Loudoun County Population: Decennial Census (Dec. 2021) [hereinafter Decennial Census], <https://www.loudoun.gov/DocumentCenter/View/120300>. See *infra* Sec. 4.

¹⁶ See *infra* Sec. 4.

¹⁷ See Loudoun County, Loudoun County Demographic Forecasts 2020 to 2040, <https://tinyurl.com/bdcmwbzm>.

¹⁸ Decennial Census; see *infra* Sec. 4.

agriculture, preservation, and limited residential, commercial, and industrial development. See Section 3, Map 2 & Map 3.

The management of this growth and development has been a key component of Loudoun’s strategy and success.¹⁹ Loudoun’s extraordinary efforts related to public planning are further described in Section 8(B) *infra*.

C. The Board of Supervisors, County Authorities, and County Government

Loudoun is governed by a nine-member Board of Supervisors (the “Board”) elected from eight magisterial districts, with a Chair elected from the County at-large.²⁰ A Vice-Chair is selected by the Board from among its membership. The elected Chair of the Board is Phyllis Randall, the first African-American woman to chair a county board in the Commonwealth of Virginia. The County’s current district supervisors are, in alphabetical order, Juli E. Briskman (Algonkian District), Tony R. Buffington (Blue Ridge District), Sylvia R. Glass (Broad Run District), Caleb A. Kershner (Catoctin District), Matthew F. Letourneau (Dulles District) Koran T. Saines (Sterling District, and current Vice-Chair), Michael R. Turner (Ashburn District), and Kristen C. Umstatted (Leesburg District). All Board members serve concurrent four-year terms and the next election will be held on November 7, 2023. On June 7, 2022, the Board adopted an ordinance approving amendments to the County’s Codified Ordinances and implementing a redistricting plan.²¹ For elections held after November 2022, the County’s eight election districts, in alphabetical order, are: Algonkian, Ashburn, Blue Ridge, Broad Run, Catoctin, Dulles, Leesburg, Little River (former Blue Ridge), and Sterling.²²

¹⁹ Loudoun General Plan at 2-5.

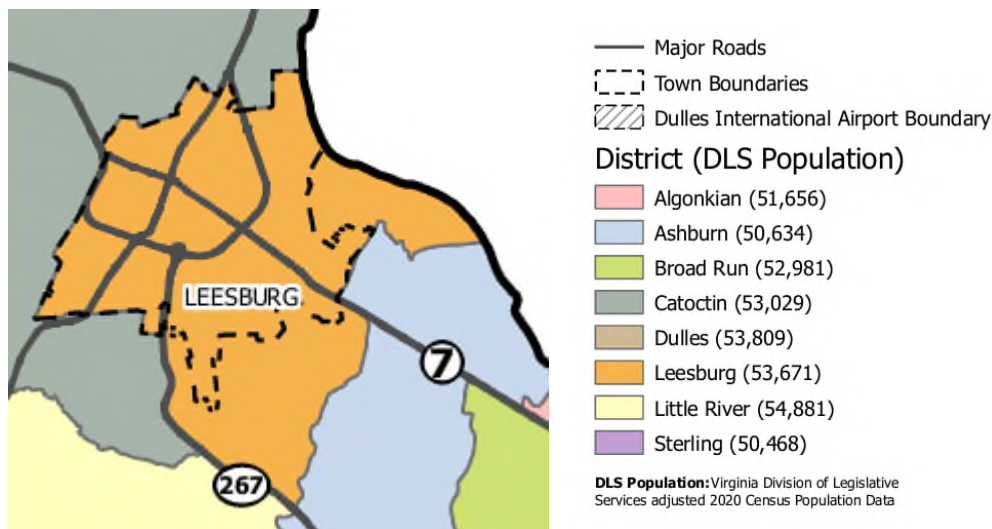
²⁰ Codified Ordinances of Loudoun County, Virginia, 1980, as amended [hereinafter Codified Ordinances] §§ 207.01, 207.02.

²¹ June 7, 2022 Meeting of the Board of Supervisors, Action Item 03, available at: <https://www.loudoun.gov/3426/Board-of-Supervisors-Meetings-Packets>.

²² Codified Ordinances §§ 207.03–207.12.

Previously, Leesburg was bounded by two County election districts: Catocin and Leesburg. Now, three districts include or abut the Town, further assuring Leesburg’s voice in county-wide policies and decision-making. Following the Virginia Attorney General’s “certification of no objection” to the Board’s adopted redistricting, the Board recently approved amendments to the Codified Ordinances to make the necessary changes to the voting precinct and polling places for the new election districts.²³

Figure 2. Loudoun County 2022 Election Districts (Portion)²⁴



The Board conducts the County’s business in adherence to a Code of Ethics and Standards of Conduct, which have been agreed-to and signed by each member of the Board.²⁵ The Board operates using three standing committees: (1) the Finance, Government Operations, and Economic Development Committee, (2) the Joint Board-School Board Committee, and (3) the Transportation and Land Use Committee.²⁶ In addition to the work of its standing committees, the Board forms

²³ January 17, 2023 Meeting of the Board of Supervisors, Action Item 11, available at: <https://www.loudoun.gov/3426/Board-of-Supervisors-Meetings-Packets>; Codified Ordinances §§ 209.01–209.112.

²⁴ Loudoun County Office of Mapping and Geographic Information, Loudoun County 2022 Election Districts (Aug. 5, 2022), <https://www.loudoun.gov/DocumentCenter/View/171141>. See *infra* Sec. 3, Map 4.

²⁵ Loudoun County Board of Supervisors, Code of Ethics & Standards of Conduct (adopted January 7, 2020), <https://tinyurl.com/jfwh9kmm>.

²⁶ See Loudoun County, Virginia, Board of Supervisors: Standing Committees 2020-2023, <https://www.loudoun.gov/4864/Standing-Committees>.

special or ad hoc committees and commissions when necessary for, or advantageous to, the efficient conduct of the County's public business.²⁷ The Board has also formed sister governmental authorities to enhance the County's decision-making and administrative process in order to further the interests of the people of Loudoun. These include the Economic Development Authority and the Loudoun County Sanitation Authority (now known as "Loudoun Water").²⁸

On January 19, 2021, the Board adopted a revised vision statement to guide its governance and policymaking for the County, which reads: "While appreciating and acknowledging our rich history, Loudoun County strives to be a prosperous, inclusive, equitable and sustainable community where residents feel free to live, work, learn and play."²⁹ Alongside this vision statement, the Board approved strategic work plan guidance and directed staff to provide biannual updates on the initiatives contained therein.³⁰ The Board's faithfulness to this vision is exemplified in the initiatives and policies adopted for the County, as well as the level of services provided to county residents, including those residing in the Town. Recently, on March 21, 2023, the Board received an update on its strategic initiatives, which are progressing well.³¹

The Board's stewardship of the County's financial resources is guided by its Fiscal Policy, which is reviewed at least annually.³² The Board and County's careful accounting, management,

²⁷ See Special Board Committee Meeting Documents, available at <https://www.loudoun.gov/3440/Special-Board-Committees>.

²⁸ See *infra* Secs. 8(II)(A) and (M).

²⁹ January 19, 2021 Meeting of the Board of Supervisors, Action Item 06, available at: <https://www.loudoun.gov/3426/Board-of-Supervisors-Meetings-Packets>; see Loudoun County, Board Vision and Strategic Goals, <https://www.loudoun.gov/4849/Board-Vision-and-Strategic-Goals>.

³⁰ *Supra* n. 30.

³¹ See March 21, 2023 Meeting of the Board of Supervisors, Item I-1, available at: <https://www.loudoun.gov/3426/Board-of-Supervisors-Meetings-Packets>; see Loudoun County, Board Vision and Strategic Goals, <https://www.loudoun.gov/4849/Board-Vision-and-Strategic-Goals>.

³² See generally, Loudoun County, Virginia, Board of Supervisors Fiscal Policy (adopted Dec. 17, 1984, last revised Oct. 18, 2022), <https://www.loudoun.gov/DocumentCenter/View/4796>.

and planning of public funds has resulted in Loudoun achieving a lauded AAA bond rating from all three major credit rating agencies; ratings which have been maintained since 2005.³³

Loudoun's professional staff execute the Board's vision, strategies, and policies to further the interests of the County's residents, businesses, and visitors. The County's staff are led by the County Administrator, Tim Hemstreet, who is appointed by the Board of Supervisors to act as the Board's agent in the administration and operation of all departments and agencies within the County. In the upcoming fiscal year, the County has budgeted to directly employ 4,812.83 full-time equivalents (FTEs) to support the operation of the County government, and has, either directly or through funding in concert with its governmental partners contributed to 17,471 FTEs.³⁴ Included in the County government are the County's elected officers, including the Commonwealth's Attorney, Commissioner of the Revenue, Sheriff, and Treasurer.³⁵ The County's FY2024 operating budget includes over \$2.4 Billion in general fund expenditures to support Loudoun's public services.³⁶

D. Governmental Services

Loudoun County provides its residents with comprehensive governmental services, either directly through its professional staff or through operational and financial support. Additionally, where efficiencies or service benefits will result, Loudoun cooperates in regional partnerships and provides services for its towns, including Leesburg. County-provided services include:

- Public Safety (law enforcement and traffic control, fire and rescue services, corrections and detention, and inspections);

³³ See FY24 Adopted Budget at i-8; Loudoun County, Virginia, Road to AAA Status, <https://www.loudoun.gov/bondratings>.

³⁴ FY24 Adopted Budget at E-38; Loudoun County Department of Finance and Budget, Loudoun County Annual Comprehensive Financial Report 2022 219 [hereinafter Loudoun 2022 Financial Report], <https://www.loudoun.gov/DocumentCenter/View/172861>.

³⁵ See *id.*

³⁶ FY24 Adopted Budget at E-30, E-37.

- Health and Welfare (health, mental health, developmental services, substance abuse, and family services);
- Education (elementary, secondary, and community college support);
- Parks, Recreation, and Culture (including libraries and museums);
- Community Development (planning and zoning, building and development, environmental management, economic development, and cooperative extension);
- Public Works (sanitation and maintenance);
- Transit and Transportation (Loudoun County Transit, Washington Metropolitan Area Transit Authority, Northern Virginia Transportation Authority, and local road projects);
and
- General Government Administration (legislative, general and financial, elections, and judicial).³⁷

Similar to other urbanized counties in the Washington D.C. metropolitan region, the type and level of services provided by Loudoun to its residents differentiates it from the traditional concept of a county. Additional detail about the services provided by the County and how the County is best positioned to serve the APA can be found in Section 8. As the seat of the County's government, Leesburg is uniquely positioned with respect to the County's provision of services, many of which are actually based in or around the Town.³⁸

E. Industries and Economic Development

³⁷ See generally Loudoun 2022 Financial Report.

³⁸ See *infra* Sec. 10; see also *infra* Sec. 3, Maps 5 & 6.

Since 1980, Loudoun has seen a five-fold increase in population.³⁹ Loudoun’s economic growth has been just as explosive.^{40,41} For many years, the County’s economic development efforts have examined Loudoun’s strengths and opportunities and targeted clusters and overlays of businesses that demonstrate the largest employment sectors, past growth, or potential for future gains based on innovations and trends in the market.⁴² Loudoun’s current economic policies focus on three “clusters.”⁴³ The first cluster is information and communications technology.⁴⁴ This cluster includes data analytics and technology, cybersecurity, and data centers.⁴⁵ The second cluster is highly specialized manufacturing, consisting of companies that produce high-value components that are precisely machined for cutting-edge technologies.⁴⁶ The third cluster consists of agricultural businesses.⁴⁷ Despite being one of the most tech-forward economies in the United States, Loudoun has over 1,200 farms, and its agricultural and agritourism sectors accounted for over \$1.6 billion in business in the fiscal year 2016.⁴⁸ In addition to these clusters, Loudoun supports substantial economic activity in the Federal Government Contracting, Aerospace, Defense, Aviation, Transportation, and Health industries.⁴⁹ Although Loudoun has a diverse and robust economy, the Commission’s consideration of the Town’s desired annexation will be primarily limited to industrial-scale data centers. The current potential revenue associated with this

³⁹ Loudoun 2022 Financial Report at 42.

⁴⁰ Loudoun’s population increased by 44.6% between 2001 and 2021. In inflation adjusted dollars, its GDP increased by 44.4% during the same period.

⁴¹ Bureau of Economic Analysis, Regional Data – GDP and Personal Income, <https://tinyl.io/8fbu>; U.S. Census Bureau, QuickFacts – Loudoun County, Virginia, <https://tinyl.io/8fdR>; U.S. Census Bureau, County Intercensal Tables: 2000-2010, <https://tinyl.io/8fdS>.

⁴² Loudoun General Plan at 5-4.

⁴³ Id.

⁴⁴ Id.

⁴⁵ Id.

⁴⁶ Id. at 5-5.

⁴⁷ Id.

⁴⁸ Id.

⁴⁹ Loudoun Virginia Economic Development Authority, Industry Sectors, <https://biz.loudoun.gov/key-business-sectors>.

use is ultimately the reason for these proceedings. Leesburg’s Notice explicitly focuses on County revenue related to data centers, identifying its desire for extra revenue that would result from additional taxes levied on such equipment by the Town.⁵⁰

F. Towns

Seven incorporated towns exist within the County: Hamilton, Hillsboro, Leesburg, Lovettsville, Middleburg, Purcellville, and Round Hill. See Section 3, Map 7. Leesburg is by far the largest of the County’s towns in both geographic area and population, and also serves as the seat of the County government.⁵¹ In recognition of each town’s unique character, the County has a tailored approach to public planning and guiding development.⁵² Key to the County’s approach to accommodating the growth of towns and achieving the County’s policy goals, is the concept of joint land management areas (JLMA).⁵³ The County’s policies, strategies, and actions related to development surrounding the towns, demonstrate Loudoun’s collaborative approach to encouraging and managing growth in the collective interest of the town, County, and Commonwealth.⁵⁴

Due to its importance to the County, and unique position as the point at which the County’s more developed and growth-focused eastern portion meets the intentionally rural and preserved western portion, the Leesburg JLMA has certain distinctive policy considerations.⁵⁵ The most critical of which for the Commission’s analysis is the planned presumption that Loudoun Water will serve new connections within the Leesburg JLMA due to the proximity of its central water

⁵⁰ See Notice at 116-17, 123-27.

⁵¹ See, e.g., Loudoun General Plan at 2-115.

⁵² Loudoun General Plan at 2-115–2-147.

⁵³ Loudoun General Plan at 2-115–2-117.

⁵⁴ Id.

⁵⁵ See Loudoun General Plan at 2-118–2-119, 2-129–2-131.

and wastewater systems and avoidance of disparately high out-of-town rates for County residents and businesses.⁵⁶

The County also recognizes twelve unincorporated rural historic villages for the purposes of its development planning policies: Aldie, Bluemont, Bowmantown, Lincoln, Loudoun Heights, Lucketts, Neersville, Paeonian Springs, Philomont, St. Louis, Taylorstown, and Waterford, which are identified on Map 8 in Section 3. These communities are important features of the County's Rural Policy Area and possess scenic and historic resources, act as gathering places for citizens, provide services to the surrounding community, and support rural tourism.⁵⁷

G. Regionalism

The County actively participates in regional cooperative efforts to provide public services in ways that increase the efficiency and impact of public dollars. The County's direct expenditures to regional organizations will total over \$7.2 Million in FY2024, and include significant support to the Metropolitan Washington Council of Governments, Northern Virginia Community College, Northern Virginia Regional Commission, Northern Virginia Regional Park Authority, and Virginia Regional Transit.⁵⁸ The importance of regionalism in transportation planning and infrastructure investment is acknowledged by the County through its partnerships with the Virginia Department of Transportation and commitment to organizations such as the Northern Virginia Transportation Commission, the Northern Virginia Transportation Authority, and the Washington Metropolitan Area Transit Authority.⁵⁹

Loudoun also has national and international partnerships to promote economic, cultural, and educational exchange, those sister jurisdictions being: Holmes County, Mississippi;

⁵⁶ See *id.* at 2-129–2-130. See also *infra* Sec. 8(II)(A).

⁵⁷ Loudoun General Plan at 2-103–2-107.

⁵⁸ See FY24 Adopted Budget at 6-15.

⁵⁹ See *infra* Sec. 9.

Canelones, Uruguay; Friendship City Partnership with Gangneung City, South Korea; Goyang City, South Korea; Karsiyaka Municipality, Izmir Province, Turkey; Main-Taunus-Kreis, Germany; New Taipei, Taiwan; and Tema, Ghana.⁶⁰

H. Recognitions

Loudoun's excellence in all aspects of government has been regularly awarded on statewide, national, and international levels.⁶¹ Although the County's decorated history of awards and recognitions is too long to summarize, a few recent occurrences are included here to provide the Commission with recent awards that are representative of the County's outstanding commitment to public service. Loudoun has a long track-record of statewide recognition, some recent awards from the Virginia Association of Counties being:

- A 2020 Achievement Award for assuming responsibility for billing, collecting, and administering personal property and real estate taxes for five of Loudoun County's seven incorporated towns, including Leesburg. Loudoun is the first jurisdiction in Virginia to partner with town governments to implement a centralized tax billing and collection program.⁶²
- A 2021 Model Program Award for a County program that improves the health of the Chesapeake Bay watershed by assisting landowners with best management practices for natural resource conservation eroding land and stream banks that are a major source of harmful excess sediment that flows to the Chesapeake Bay.⁶³

⁶⁰ See Sister Cities/Sister Counties, Loudoun County, <https://www.loudoun.gov/3026/Sister-CitiesSister-Counties>.

⁶¹ See County Awards, Loudoun County, <https://www.loudoun.gov/5400/County-Awards>.

⁶² See Virginia Association of Counties, Achievement Awards Press Release 9 (2020), <https://www.vaco.org/wp-content/uploads/2020/08/20ProgramDescription.pdf>; see also County Awards, Loudoun County, <https://www.loudoun.gov/5400/County-Awards>.

⁶³ See Loudoun County, Virginia, News Release: Virginia Association of Counties Recognizes Loudoun for Model Program (Aug. 9, 2021), <https://www.loudoun.gov/ArchiveCenter/ViewFile/Item/11247>; see also County Awards, Loudoun County, <https://www.loudoun.gov/5400/County-Awards>.

Since just 2019, the County has received thirty-one achievement awards from the National Association of Counties recognizing the premier services provided by Economic Development, Sheriff's Office, Loudoun County Combined Fire & Rescue System, Office of Emergency Management, Parks, Recreation & Community Services, Loudoun County Public Library, Family Services, Clerk of the Circuit Court, Information Technology, Animal Services, Mental Health, Substance Abuse and Developmental Services, Human Resources, Treasurer, Commissioner of the Revenue, Public Affairs and Communications, and the Office of the County Administrator.⁶⁴

III. Summary

Loudoun County exemplifies good governance and fiscal responsibility and is eminently capable of continuing to support the needs of the APA. Fundamentally, there is no need for the Town to expand its tax resources or obtain additional industrial or commercial land.⁶⁵ For either of those reasons alone, the Commission should recommend denial of the proposed annexation. Further, the needs of the businesses and property owners in the APA are more than satisfied by the existing level of services provided by the County and, in some areas, the Town. Due to the planned nature of the APA, and the fact that the entirety of its developable acreage is subject to proposed commercial and industrial development, the services most relevant to the Commission's consideration are public planning, subdivision and zoning, water, sewer, transportation, stormwater, law enforcement, and fire protection. These services are appropriately and best served by the County, its governmental partners, or existing relationships, and the proposed annexation would do nothing to enhance the current services in the APA. In fact, if incorporated into the Town, the APA would lose the ability to access utility services provided by Loudoun Water, which would be detrimental not only to the APA and its industrial uses, but possibly also the residents of

⁶⁴ See County Awards, Loudoun County, <https://www.loudoun.gov/5400/County-Awards>.

⁶⁵ See generally, *infra* Secs. 6 and 7.

the County and the Town relying on Leesburg’s municipal utility service.⁶⁶ The Commission is presented with a unique and non-traditional scenario here, where the County and its governmental partners are largely capable of providing better and more efficient urban services to the APA than the Town.⁶⁷ Because of the County’s long-term planning and management of the land use and development within the APA, as well as the unique familiarity with the major industry involved in the vast majority of the acreage – data centers – a clear community of interest exists between the County and the APA, whereas such community is lacking with the Town.⁶⁸ Consistent with the County’s excellent programs and services, Loudoun has also made extraordinary efforts to comply with state policies, and the APA and the Commonwealth will continue to benefit by the subject area remaining within the jurisdiction of the County.⁶⁹ As further evidenced and described in the narrative and supporting information provided in this responsive filing, the annexation proposed by the Town is neither necessary nor expedient, is inconsistent with the policies of the Commonwealth, and would not further the best interests of the residents of the County, Town, or APA.

⁶⁶ See *infra* Sec. 8(II)(A).

⁶⁷ See *generally infra* Sec. 8(II)(A).

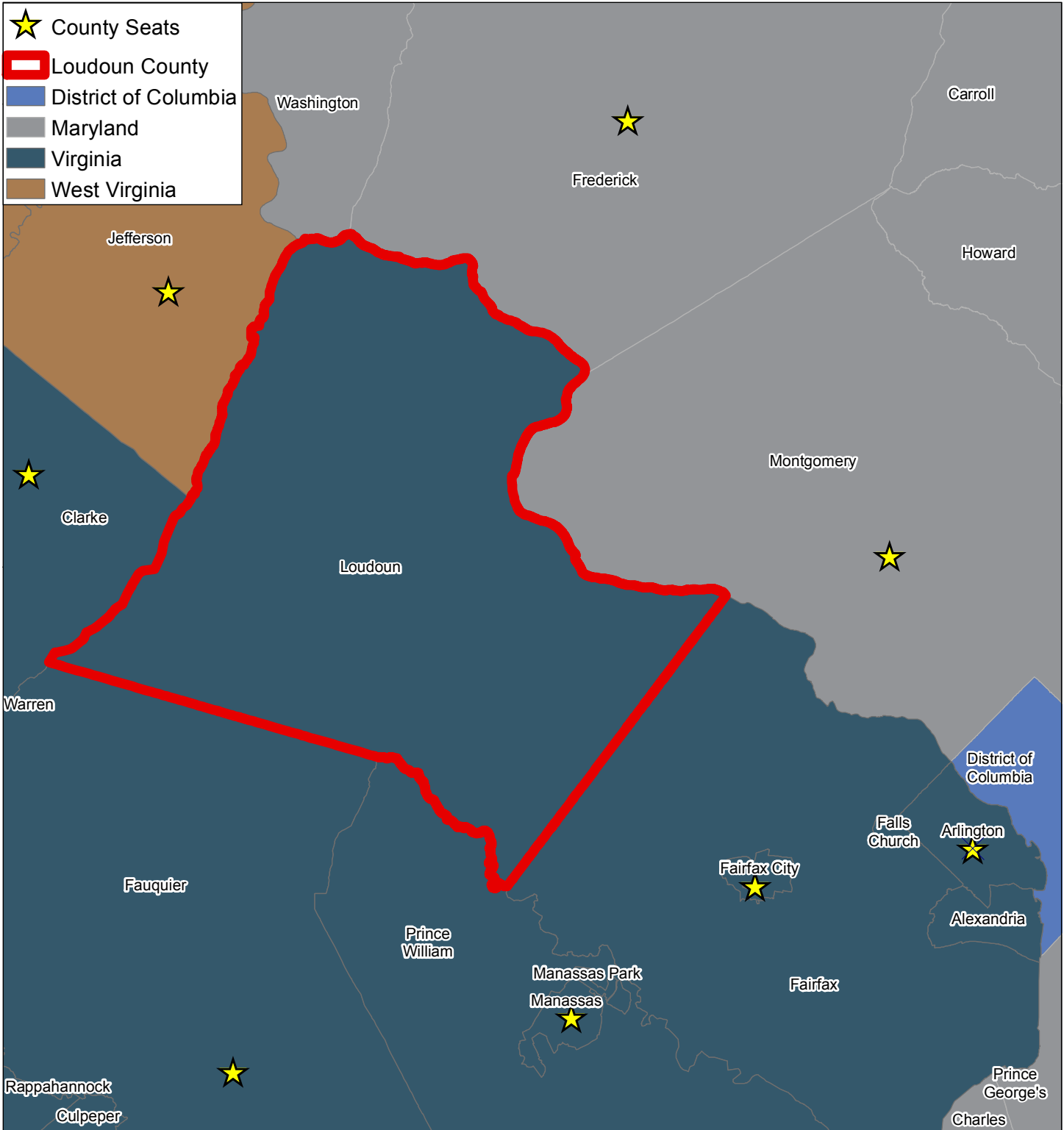
⁶⁸ See *infra* Sec. 10.

⁶⁹ See *generally, infra* Sec. 9.

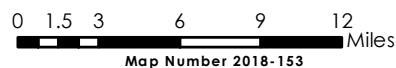
Section 3 Maps

Map 1

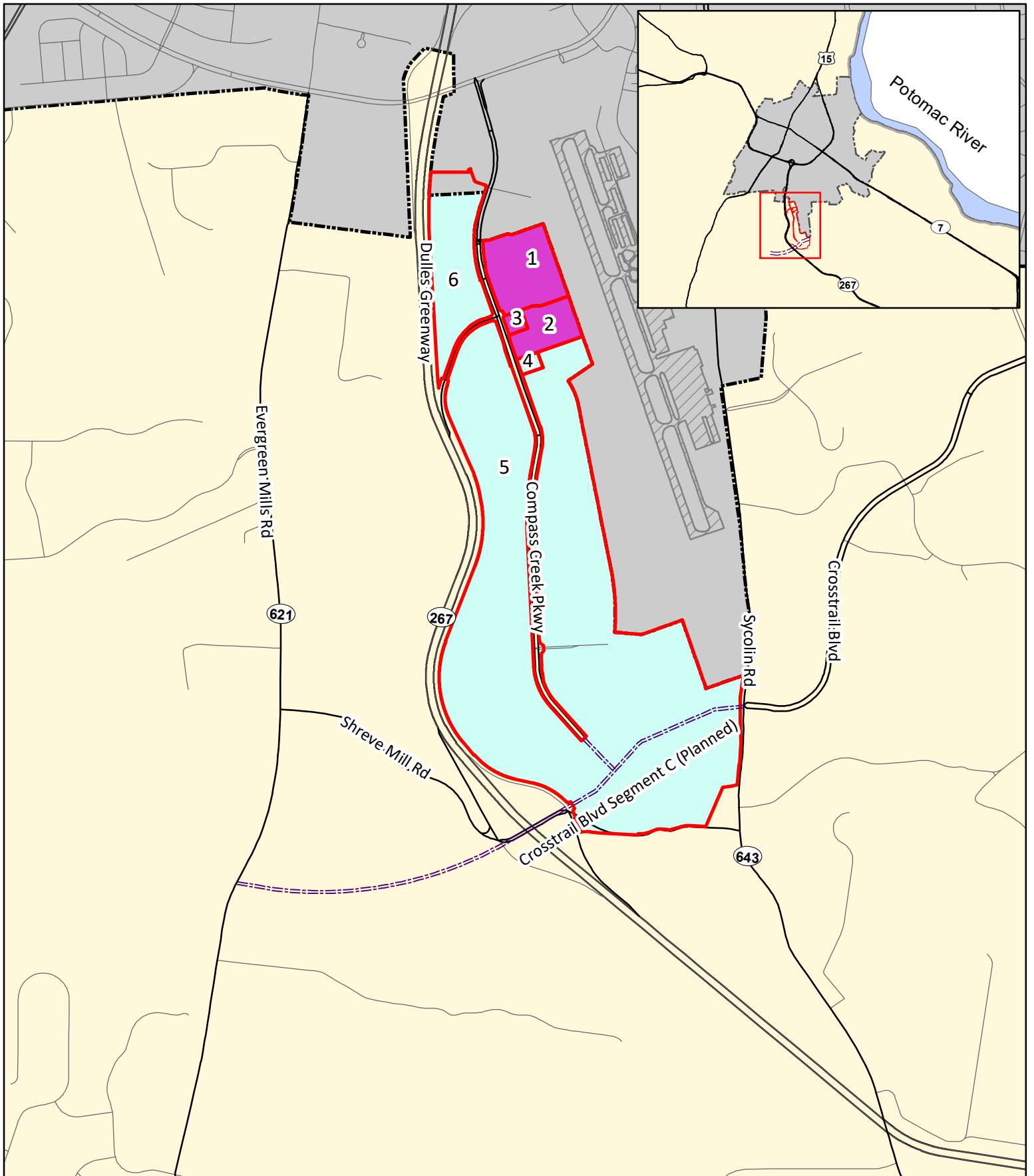
Loudoun County
**Loudoun County and
 Surrounding Area**
 2019 General Plan



Loudoun County IS NOT LIABLE for any use of or reliance upon this map or any information contained herein. While reasonable efforts have been made to obtain accurate data, the County makes no warranty, expressed or implied, as to its accuracy, completeness, or fitness for use of any purpose.








Map 1A



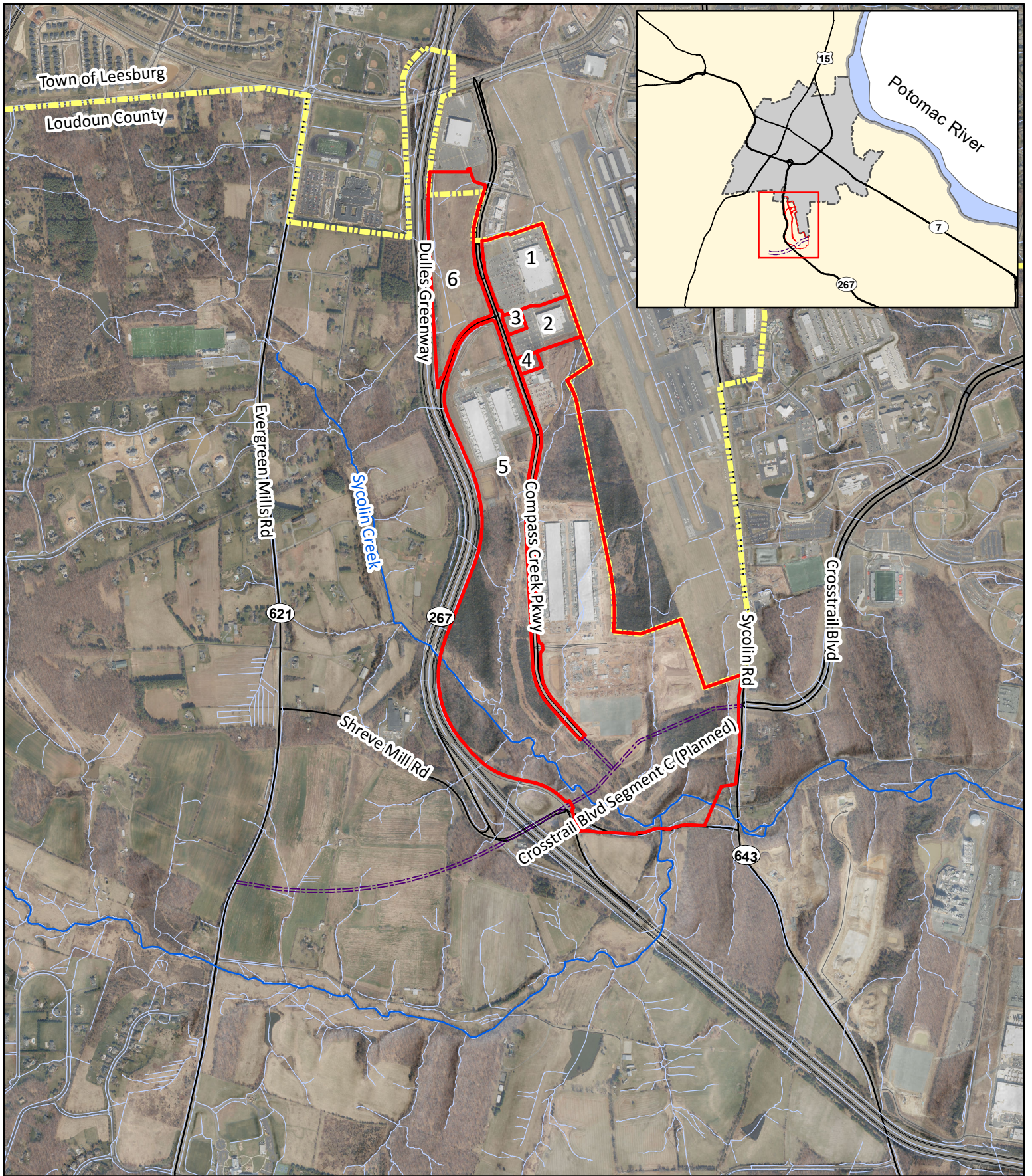
0 1000 2000 Feet



Loudoun County Zoning

-  Leesburg
-  PDCCSC
-  PDIP
-  Loudoun County
-  Leesburg Executive Airport

Map 1B



Loudoun County Aerial Imagery 2023



0 1000 2000 Feet

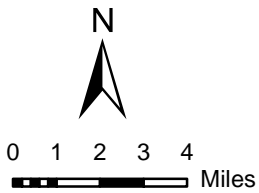


Loudoun County Aerial and Topography

- Leesburg
- Major Drains
- Basemap Drains

June 30, 2023

Map 2



-  Towns
-  Washington Dulles International Airport

Loudoun County 2023 Aerial

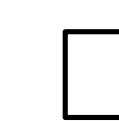

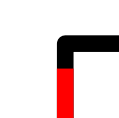



July 3, 2023

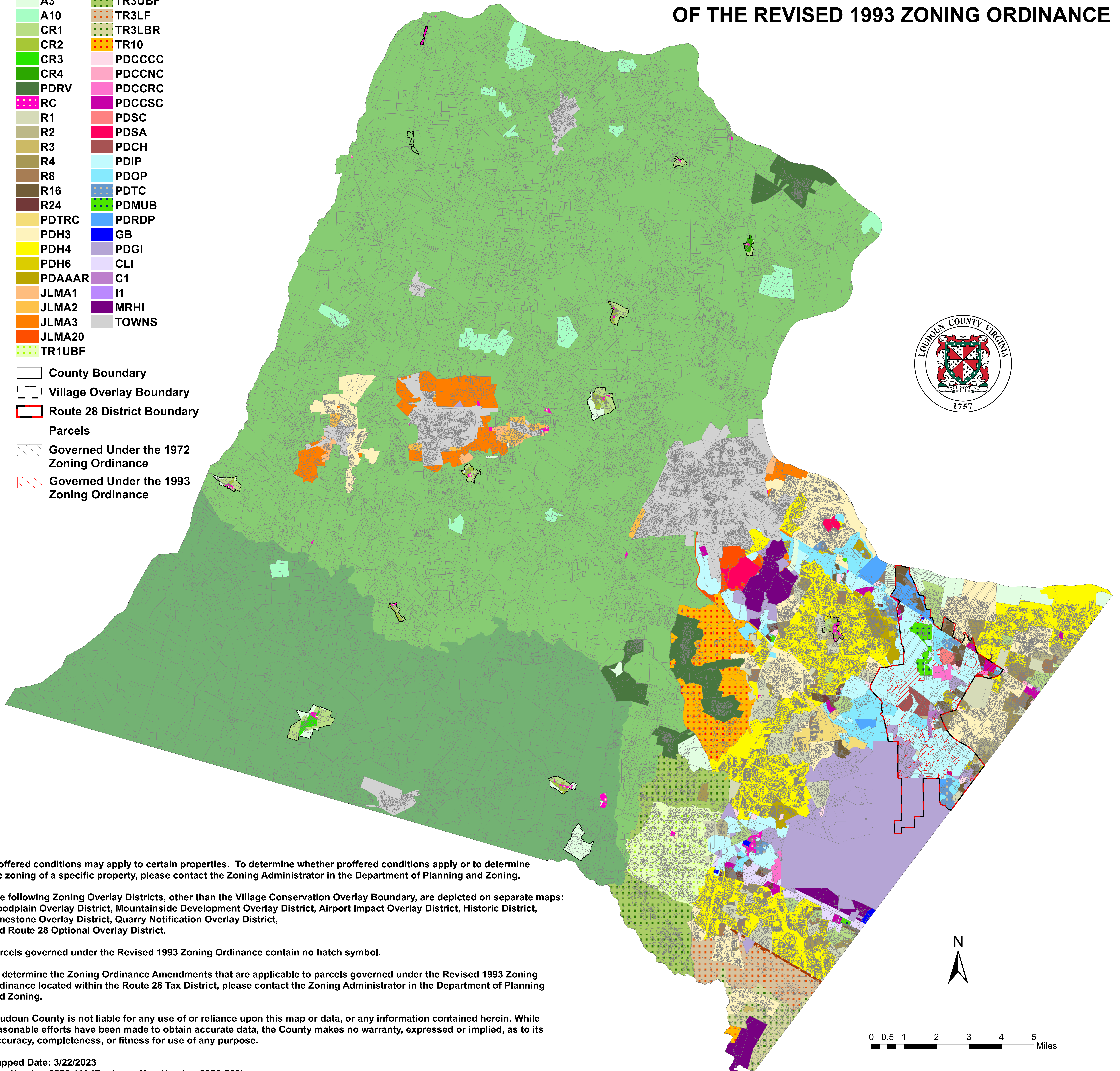
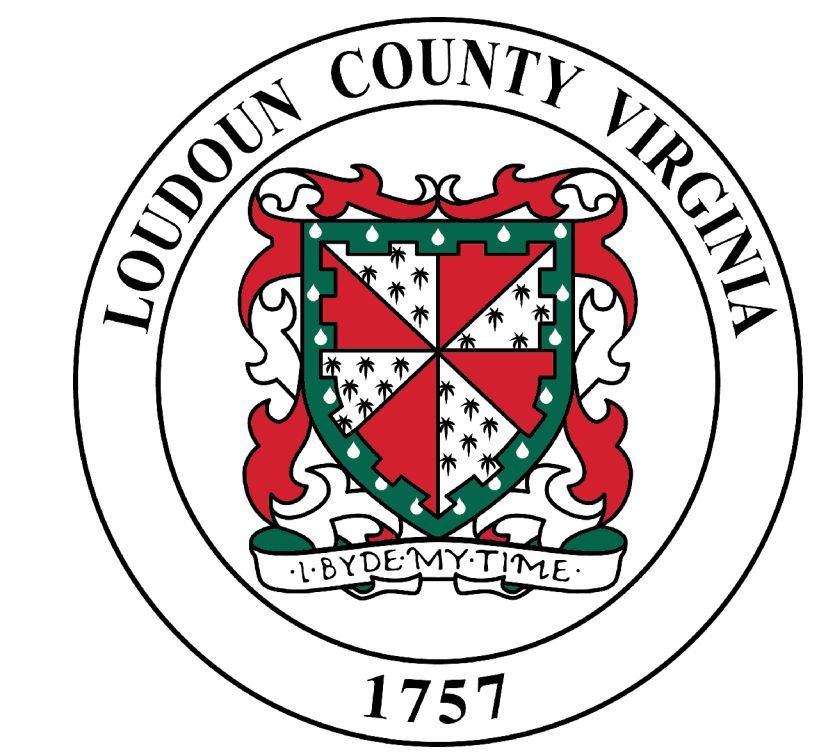
Map 3

LOUDOUN COUNTY, VIRGINIA BASE ZONING MAP OF THE REVISED 1993 ZONING ORDINANCE

Zoning Districts

| | |
|--------|--------|
| AR1 | TR1LF |
| AR2 | TR2 |
| A3 | TR3UBF |
| A10 | TR3LF |
| CR1 | TR3LBR |
| CR2 | TR10 |
| CR3 | PDCCCC |
| CR4 | PDCCNC |
| PDRV | PDCCRC |
| RC | PDCCSC |
| R1 | PDSC |
| R2 | PDSA |
| R3 | PDCH |
| R4 | PDIP |
| R8 | PDOP |
| R16 | PDTC |
| R24 | PDMUB |
| PDTRC | PDRDP |
| PDH3 | GB |
| PDH4 | PDGI |
| PDH6 | CLI |
| PDAAAR | C1 |
| JLMA1 | I1 |
| JLMA2 | MRHI |
| JLMA3 | TOWNS |
| JLMA20 | |
| TR1UBF | |

-  County Boundary
-  Village Overlay Boundary
-  Route 28 District Boundary
-  Parcels
-  Governed Under the 1972 Zoning Ordinance
-  Governed Under the 1993 Zoning Ordinance



Proffered conditions may apply to certain properties. To determine whether proffered conditions apply or to determine the zoning of a specific property, please contact the Zoning Administrator in the Department of Planning and Zoning.

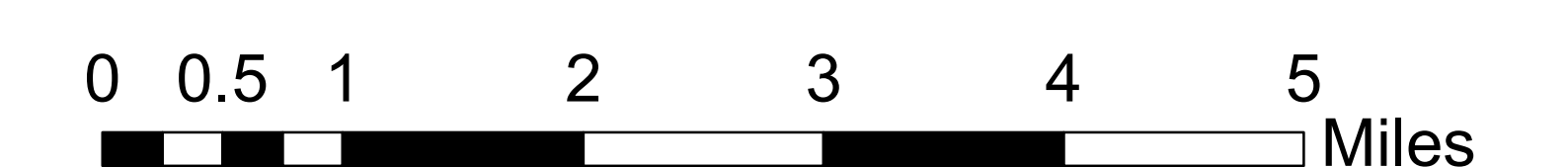
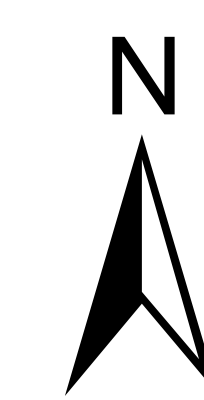
The following Zoning Overlay Districts, other than the Village Conservation Overlay Boundary, are depicted on separate maps: Floodplain Overlay District, Mountainside Development Overlay District, Airport Impact Overlay District, Historic District, Limestone Overlay District, Quarry Notification Overlay District, and Route 28 Optional Overlay District.

Parcels governed under the Revised 1993 Zoning Ordinance contain no hatch symbol.

To determine the Zoning Ordinance Amendments that are applicable to parcels governed under the Revised 1993 Zoning Ordinance located within the Route 28 Tax District, please contact the Zoning Administrator in the Department of Planning and Zoning.

Loudoun County is not liable for any use of or reliance upon this map or data, or any information contained herein. While reasonable efforts have been made to obtain accurate data, the County makes no warranty, expressed or implied, as to its accuracy, completeness, or fitness for use of any purpose.

Mapped Date: 3/22/2023
Map Number 2023-111 (Replaces Map Number 2023-069)



Map 4

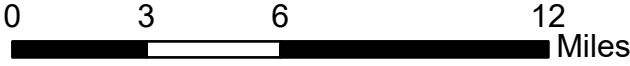
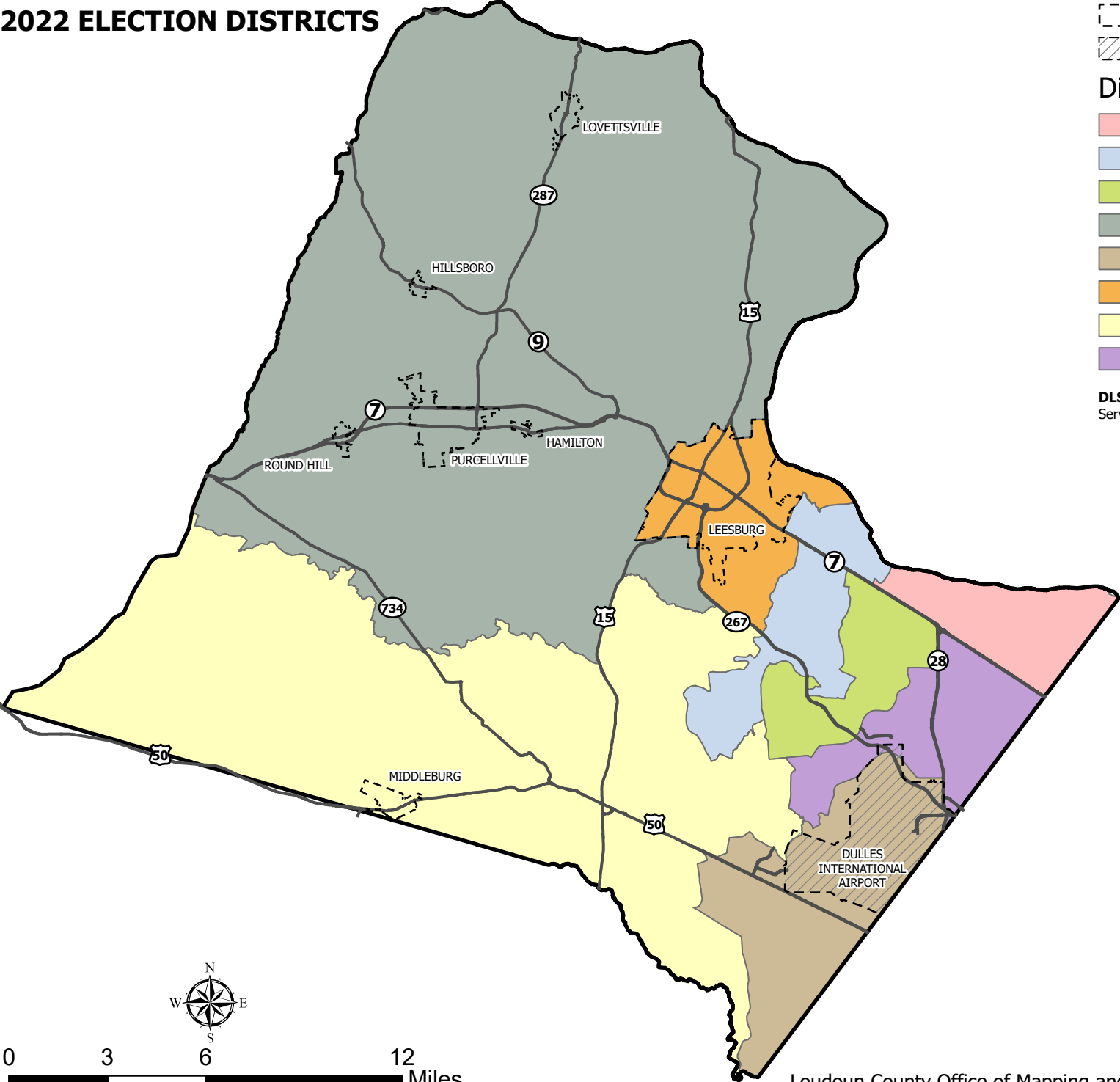
LOUDOUN COUNTY 2022 ELECTION DISTRICTS

- Major Roads
- - - Town Boundaries
- ▨ Dulles International Airport Boundary

District (DLS Population)

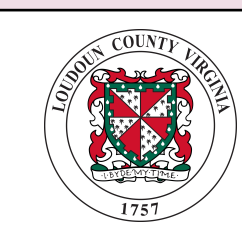
- Algonkian (51,656)
- Ashburn (50,634)
- Broad Run (52,981)
- Catocin (53,029)
- Dulles (53,809)
- Leesburg (53,671)
- Little River (54,881)
- Sterling (50,468)

DLS Population: Virginia Division of Legislative Services adjusted 2020 Census Population Data



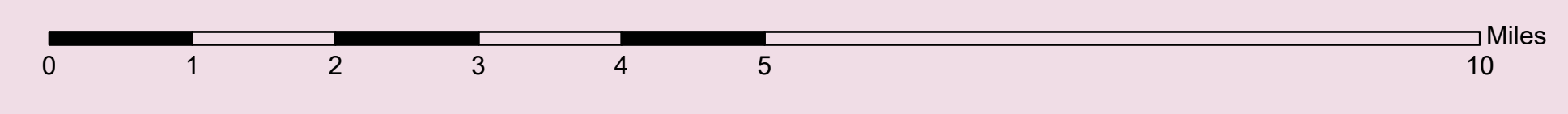
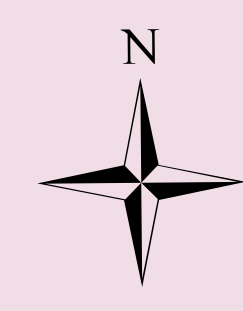
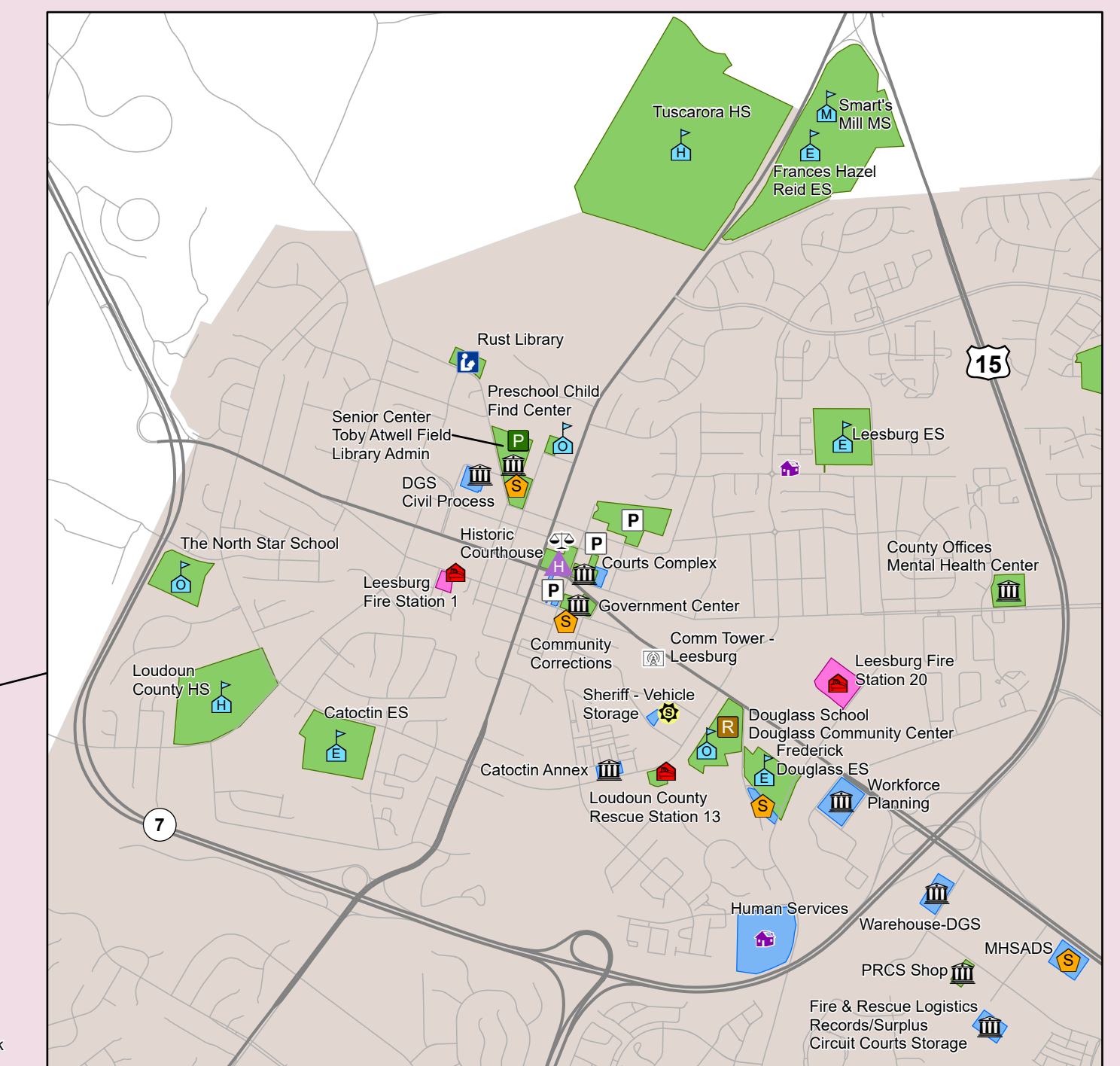
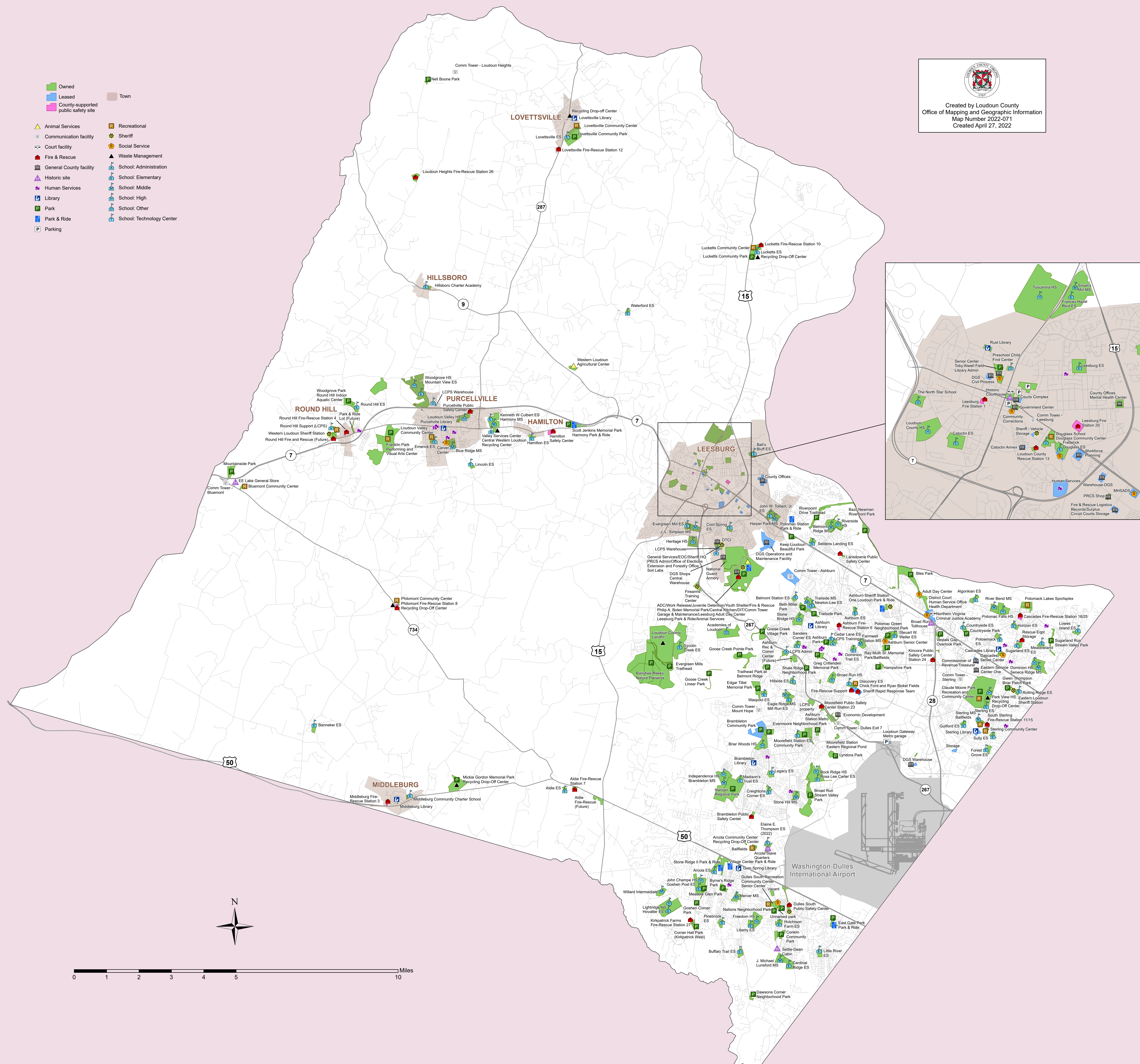
Map 5

Loudoun County Owned and Leased Properties



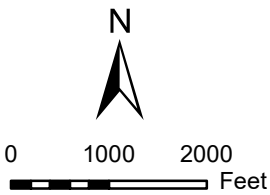
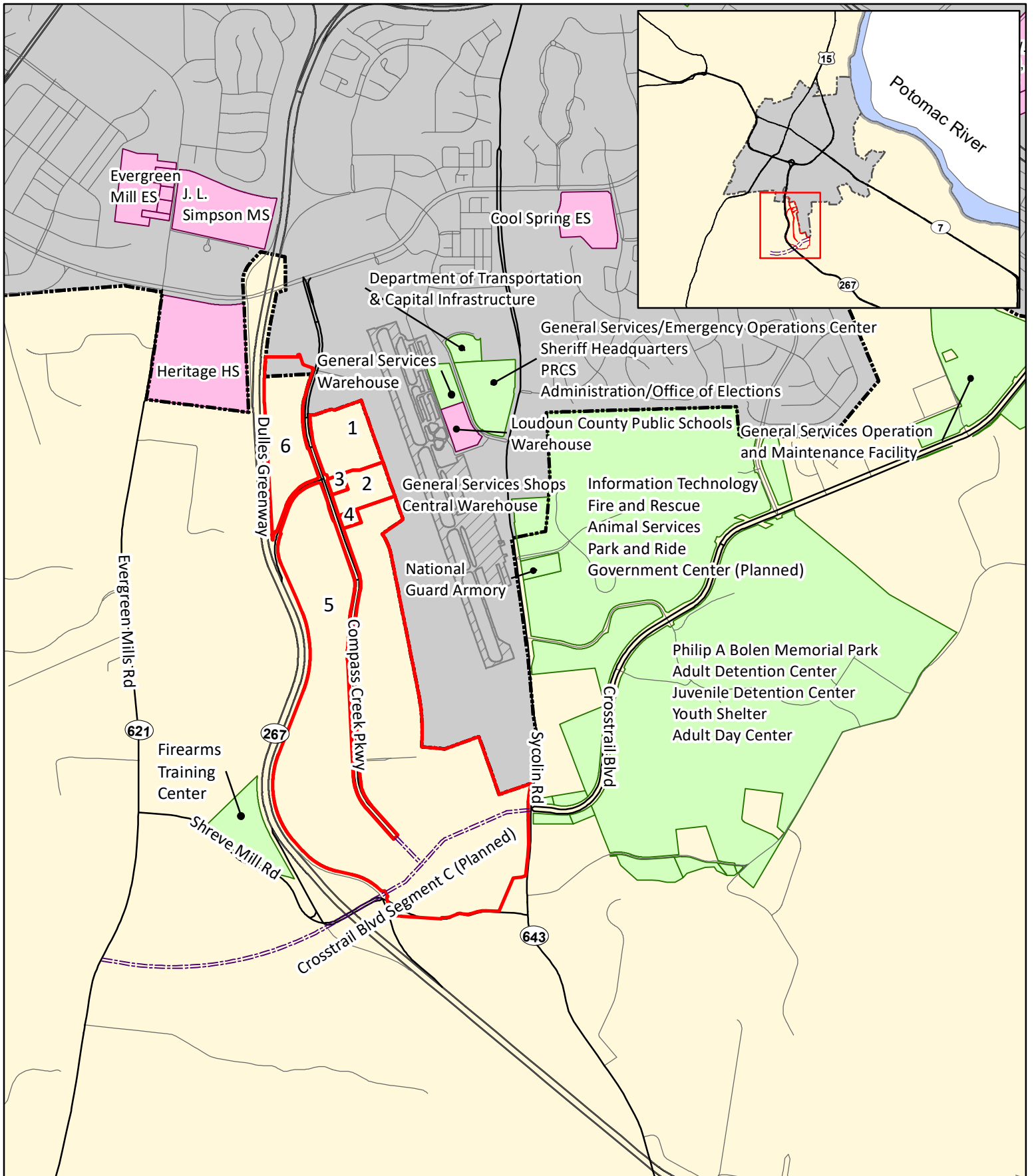
Created by Loudoun County
Office of Mapping and Geographic Information
Map Number 2022-071
Created April 27, 2022

- Owned
- Leased
- County-supported public safety site
- Town
- ▲ Animal Services
- ▲ Communication facility
- ▲ Court facility
- ▲ Fire & Rescue
- ▲ General County facility
- ▲ Historic site
- ▲ Human Services
- ▲ Library
- ▲ Park
- ▲ Park & Ride
- ▲ Parking
- ▲ Recreational
- ▲ Sheriff
- ▲ Social Service
- ▲ Waste Management
- ▲ School: Administration
- ▲ School: Elementary
- ▲ School: Middle
- ▲ School: High
- ▲ School: Other
- ▲ School: Technology Center








Loudoun County is not liable for any use of or reliance upon this map or data, or any information contained herein. While reasonable efforts have been made to obtain accurate data, the County makes no warranty, expressed or implied, as to its accuracy, completeness, or fitness for use of any purpose.

Map 6



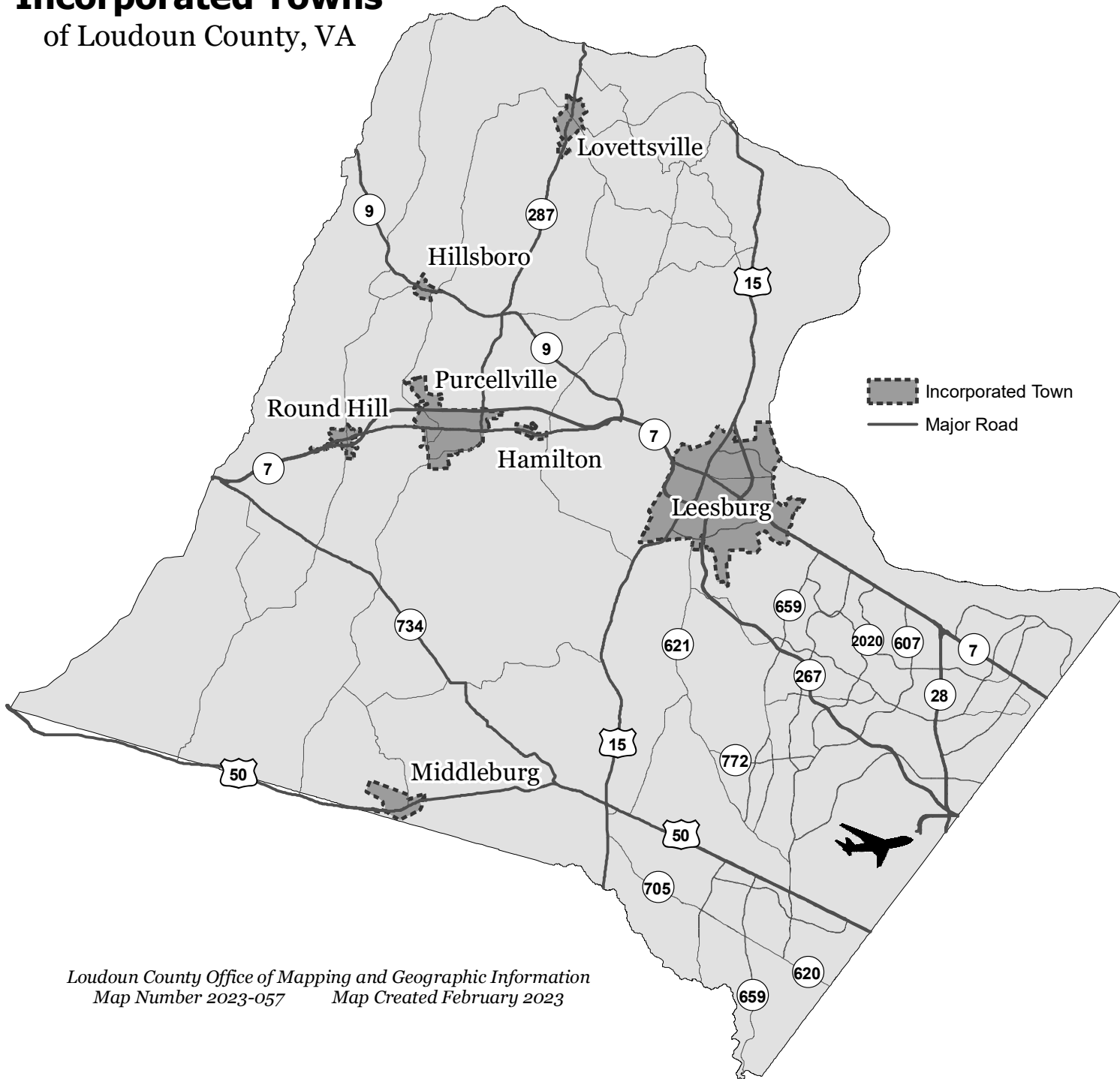
Loudoun County Facilities

-  Leesburg
-  Loudoun County
-  County Facilities
-  Loudoun County Public Schools
-  Leesburg Executive Airport

Map 7

Incorporated Towns

of Loudoun County, VA



Map 8

Loudoun County Towns & Communities

- Select Village
- ★ Select Subdivision




Map 9

Loudoun County
**Water/Sewer
Service Areas: 2023**
2019 General Plan

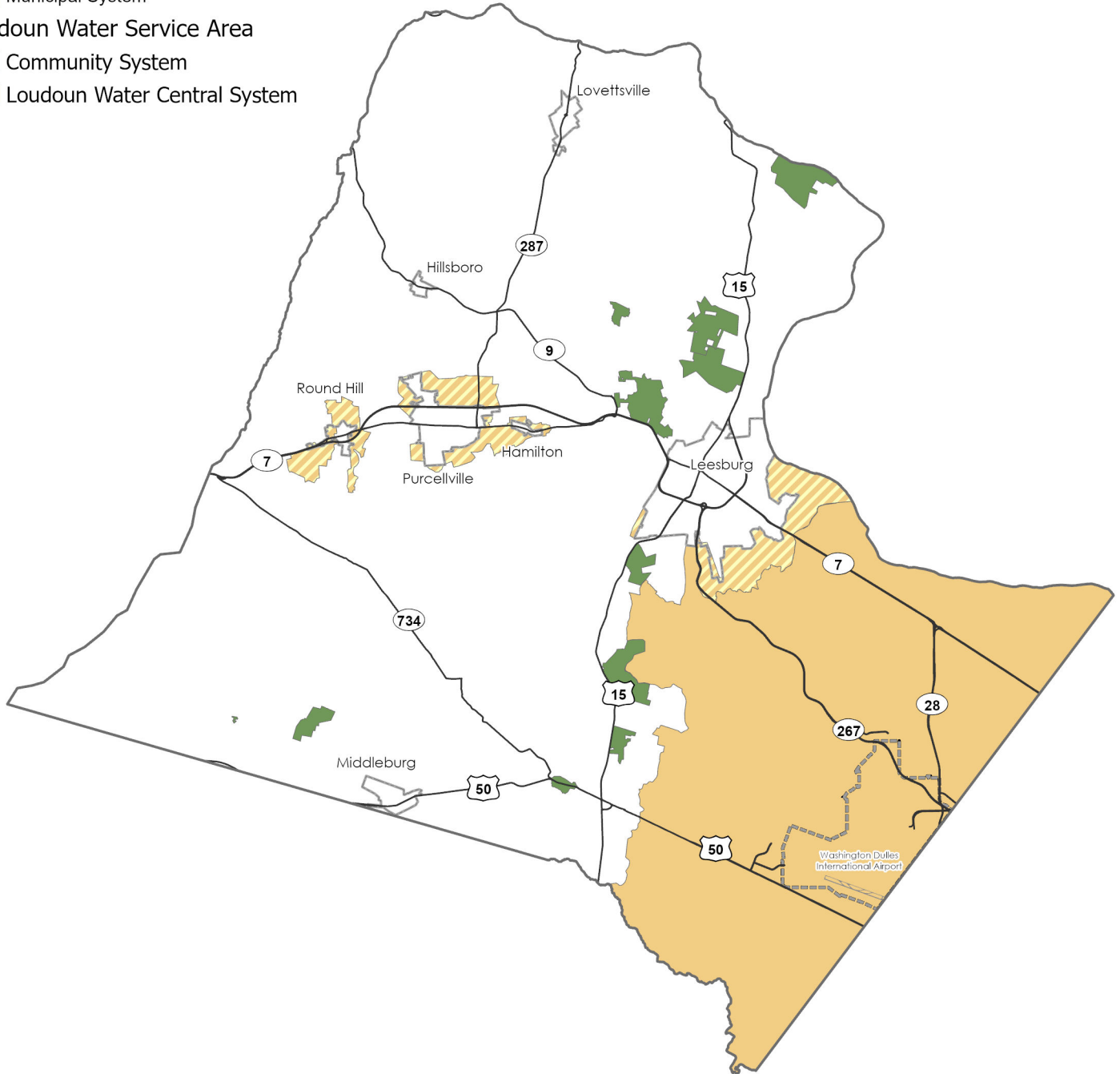


 Municipal System

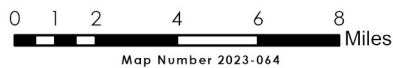
Loudoun Water Service Area

 Community System

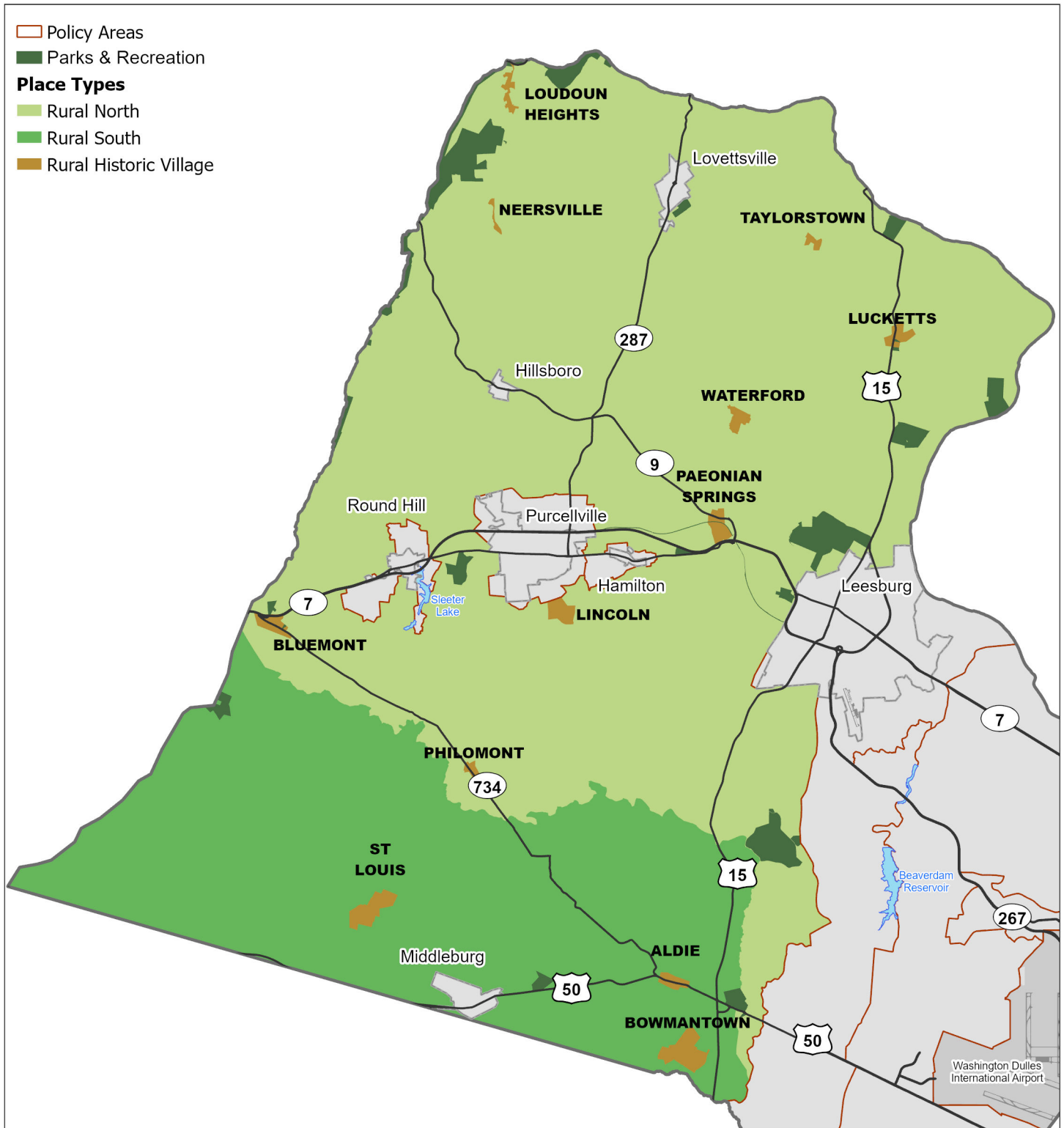
 Loudoun Water Central System



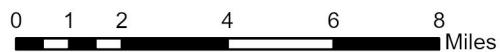
Loudoun County IS NOT LIABLE for any use of or reliance upon this map or any information contained herein. While reasonable efforts have been made to obtain accurate data, the County makes no warranty, expressed or implied, as to its accuracy, completeness, or fitness for use of any purpose.



Map 10



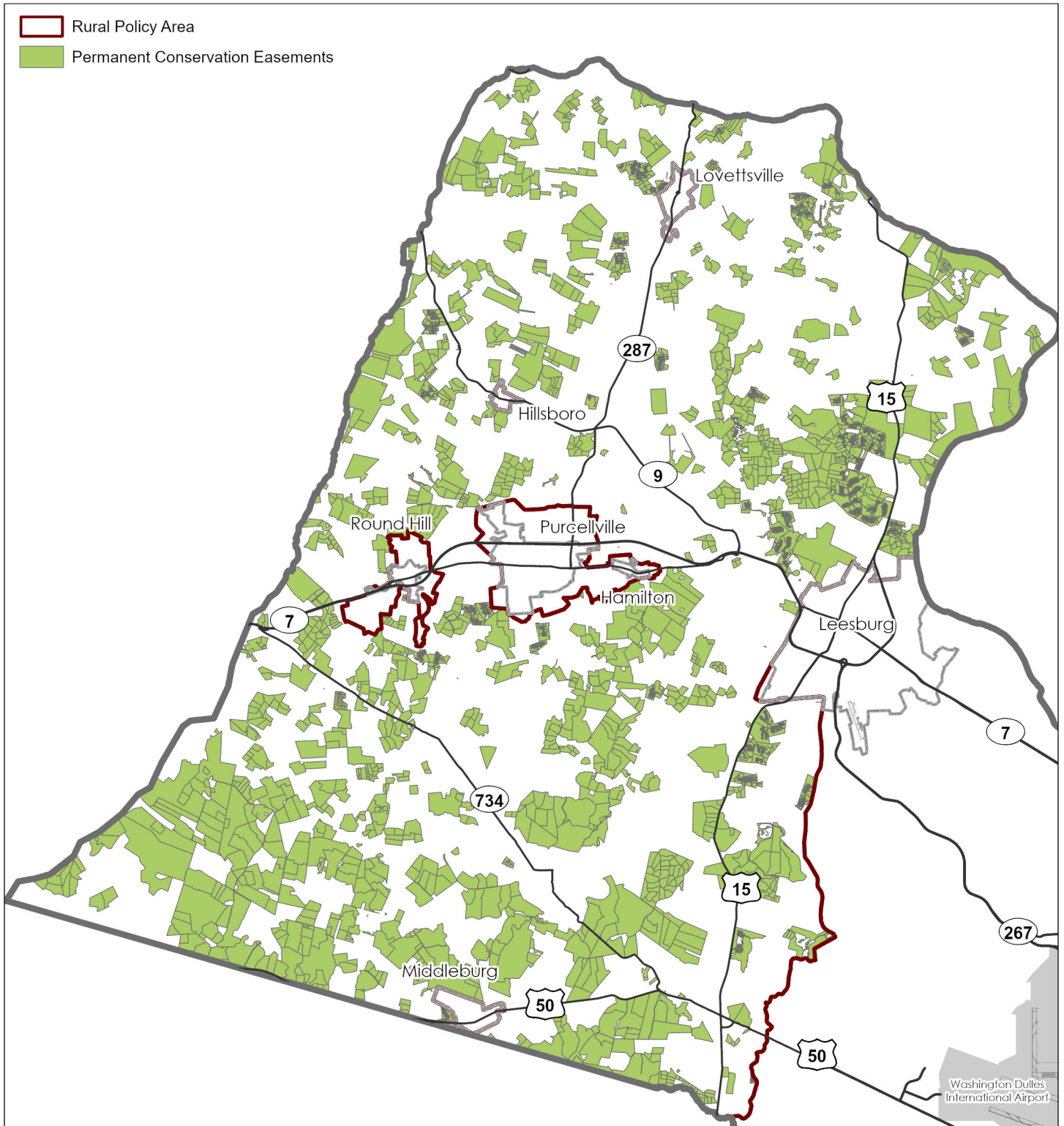
Loudoun County IS NOT LIABLE for any use of or reliance upon this map or any information contained herein. While reasonable efforts have been made to obtain accurate data, the County makes no warranty, expressed or implied, as to its accuracy, completeness, or fitness for use of any purpose.



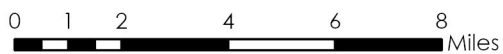
Map Number 2023-065

Map 11

Loudoun County
**Conservation Easements
in Rural Policy Area: 2023**
2019 General Plan

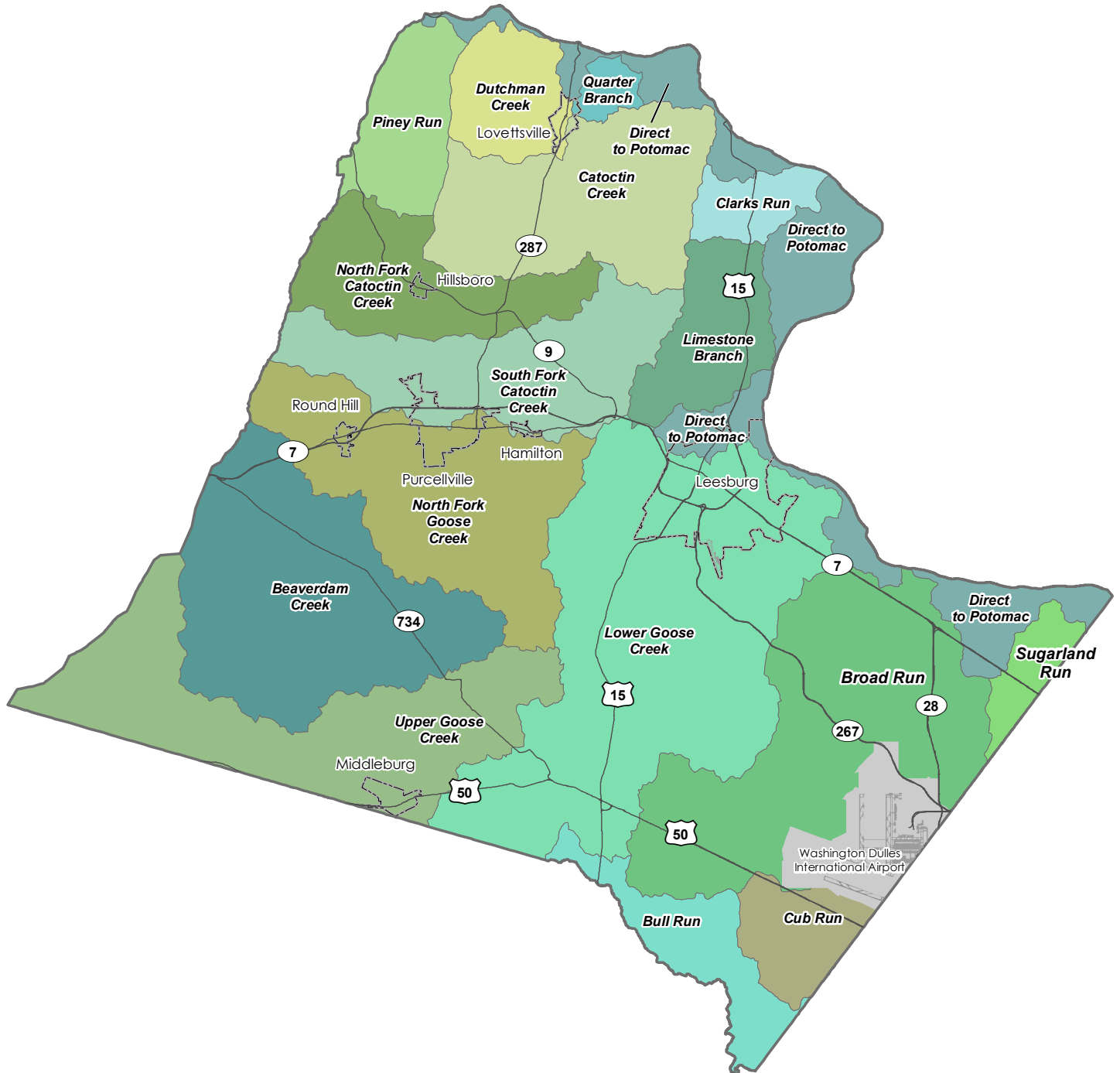


Loudoun County IS NOT LIABLE for any use of or reliance upon this map or any information contained herein. While reasonable efforts have been made to obtain accurate data, the County makes no warranty, expressed or implied, as to its accuracy, completeness, or fitness for use of any purpose.

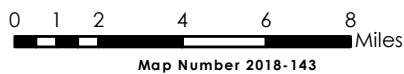


Map Number 2023-060

Map 12



Loudoun County IS NOT LIABLE for any use of or reliance upon this map or any information contained herein. While reasonable efforts have been made to obtain accurate data, the County makes no warranty, expressed or implied, as to its accuracy, completeness, or fitness for use of any purpose.

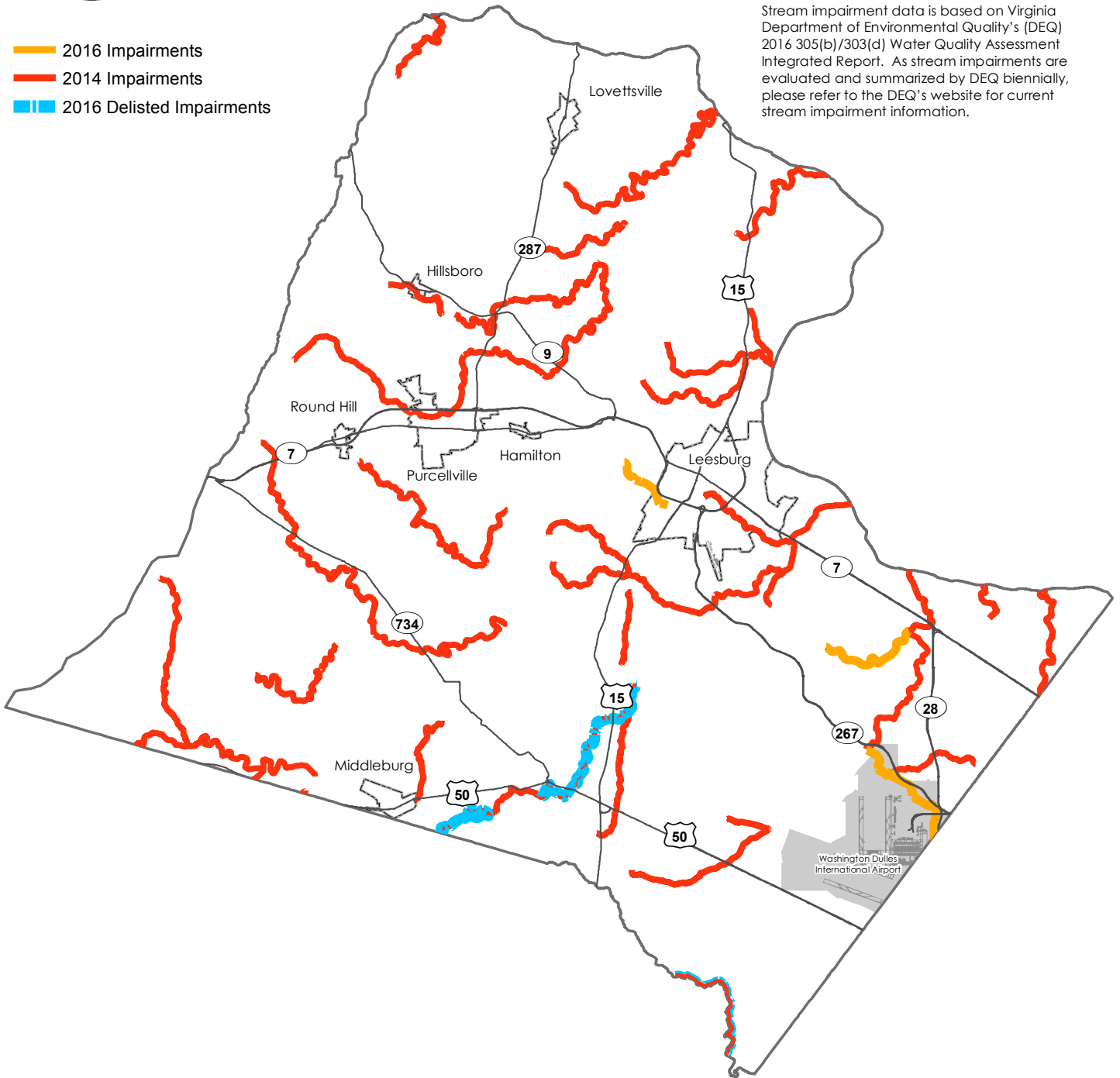


Map 13

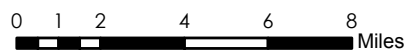


- 2016 Impairments
- 2014 Impairments
- 2016 Delisted Impairments

Stream impairment data is based on Virginia Department of Environmental Quality's (DEQ) 2016 305(b)/303(d) Water Quality Assessment Integrated Report. As stream impairments are evaluated and summarized by DEQ biennially, please refer to the DEQ's website for current stream impairment information.

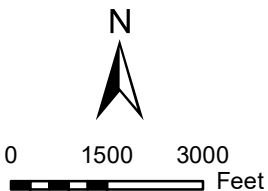
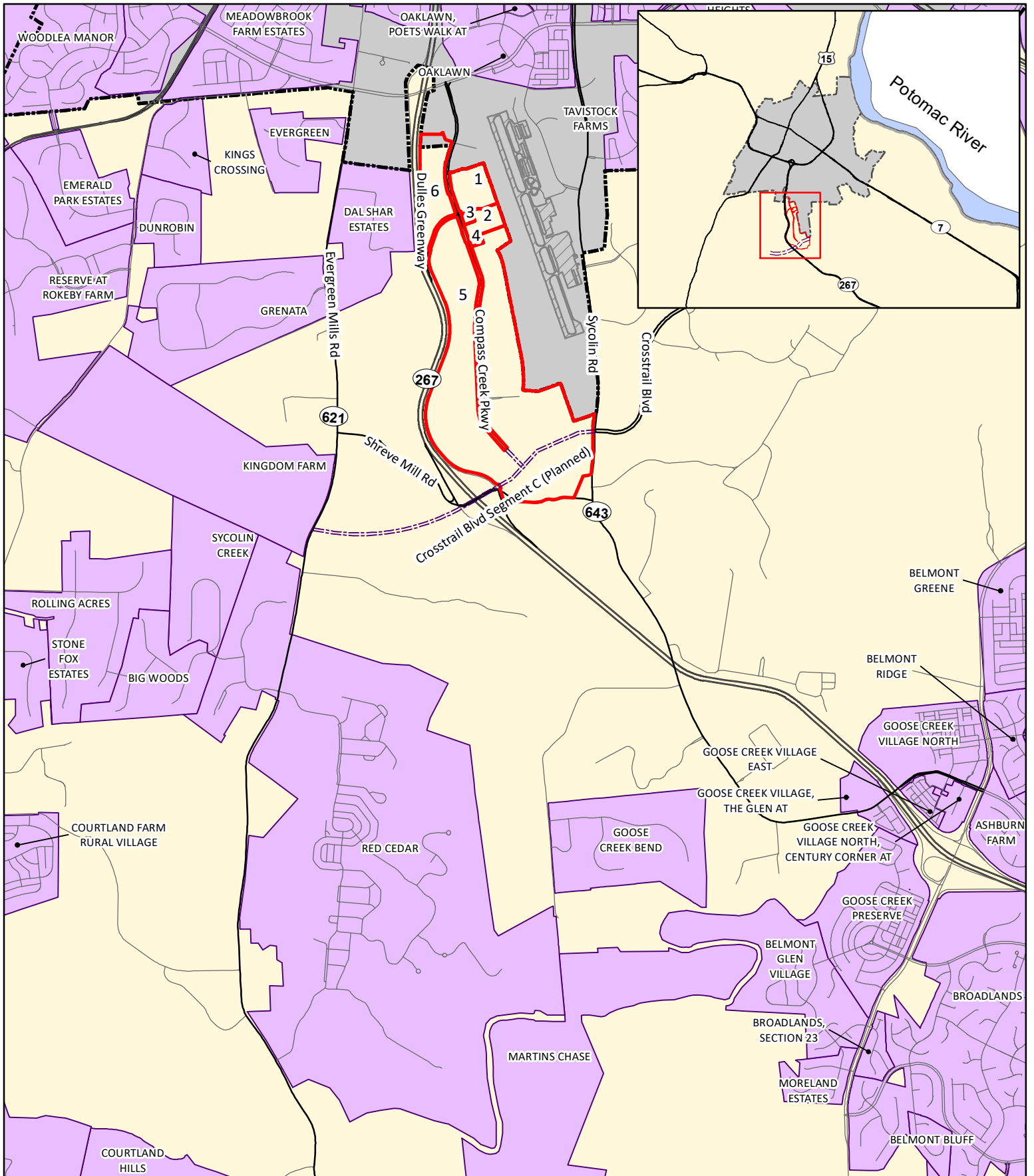






Loudoun County IS NOT LIABLE for any use of or reliance upon this map or any information contained herein. While reasonable efforts have been made to obtain accurate data, the County makes no warranty, expressed or implied, as to its accuracy, completeness, or fitness for use of any purpose.



Map Number 2018-203

Map 14



-  Leesburg
-  Loudoun County
-  Residential Communities
-  Leesburg Executive Airport

July 5, 2023

Loudoun County Residential Communities

Section 4 Demographic and Statistical Information

1 Va. Admin. Code § 50-20-540(4)

Between 1950 and 2020, Loudoun County’s population grew from 21,147 to 420,959.⁷⁰ In no decennial between 1960 and 2010 did the County’s growth rate fall below 50%, with the County experiencing incredible growth beginning in the 1980s.⁷¹ “Loudoun County’s population has continued to grow, increasing 35 percent between 2010 and 2020. Population increased by nearly 110,000, although that level of increase was about 34,000 fewer people or 24 percent less than during the previous decade. The rate of growth has slowed from 84 to 35 percent, which in part reflects that growth during this past decade was measured from a larger starting point (312,311 in 2010 as compared to 169,599 in 2000).”⁷²

Table 1. Loudoun County’s Population Growth⁷³

| | 2000 | 2010 | 2020 |
|-----------------------------|-------------|-------------|-------------|
| Total population | 169,599 | 312,311 | 420,959 |
| Population increase | - | 142,712 | 108,648 |
| Percent population increase | - | 84% | 35% |

The County’s 2022 population estimate is 434,326.⁷⁴

⁷⁰ Loudoun County Department of Finance and Budget, 2020 Decennial Census: Population Growth in Loudoun County, Virginia (Aug. 20, 2021), https://www.loudoun.gov/DocumentCenter/View/166600/Loudoun-County-Population-Growth_20210820.

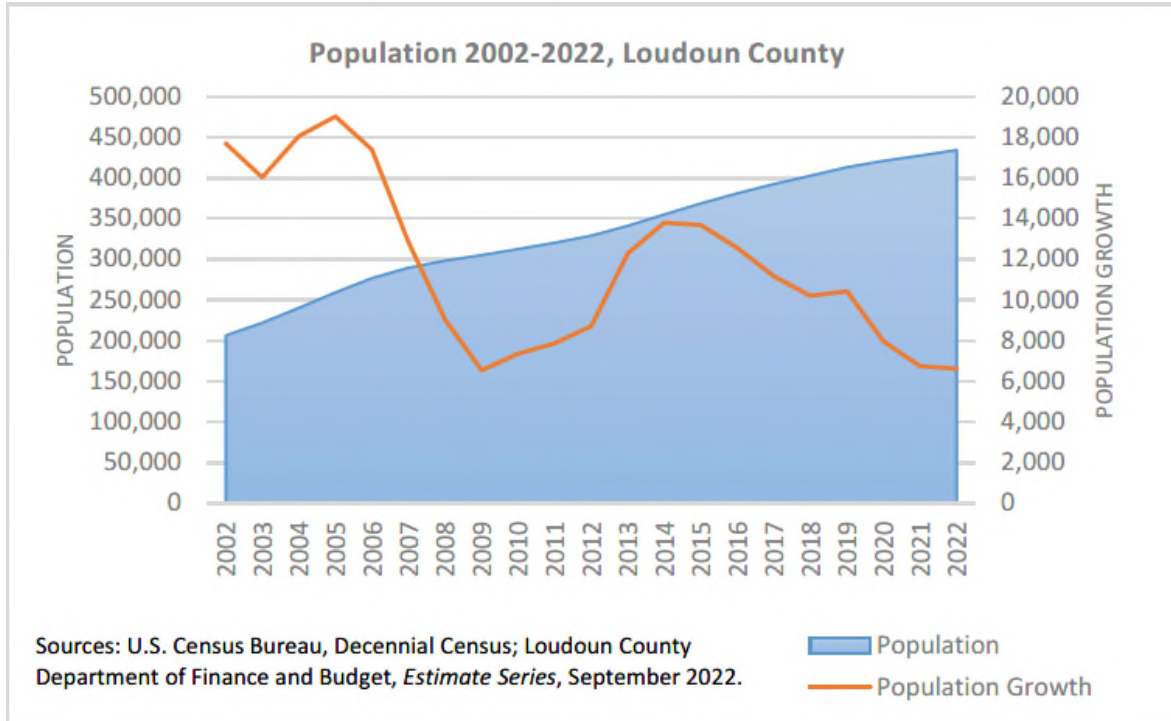
⁷¹ *See id.*

⁷² *Id.*

⁷³ *Id.* at Table 1.

⁷⁴ Loudoun County, Virginia, Loudoun County Population: 2022 Estimate Series, <https://www.loudoun.gov/DocumentCenter/View/149216>.

Figure 3. County Population Growth and Rate⁷⁵



“The following table puts this growth into the context of trends in the wider Northern Virginia Regional Commission (NVRC) region. The NVRC region contains Arlington, Fairfax and Prince William counties, the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, and the towns of Dumfries, Herndon, Leesburg, and Vienna.”⁷⁶

Table 2. Loudoun County’s Share of Growth in the Region⁷⁷

| | 2000 | 2010 | 2020 |
|-----------------------------------|-----------|-----------|-----------|
| NVRC region | | | |
| Total population | 1,815,197 | 2,230,623 | 2,550,377 |
| Population increase | - | 415,426 | 319,754 |
| Percent population increase | - | 23% | 14% |
| Loudoun County | | | |
| Share of NVRC region | 9% | 14% | 17% |
| Share of NVRC population increase | - | 34% | 34% |

⁷⁵ Id.

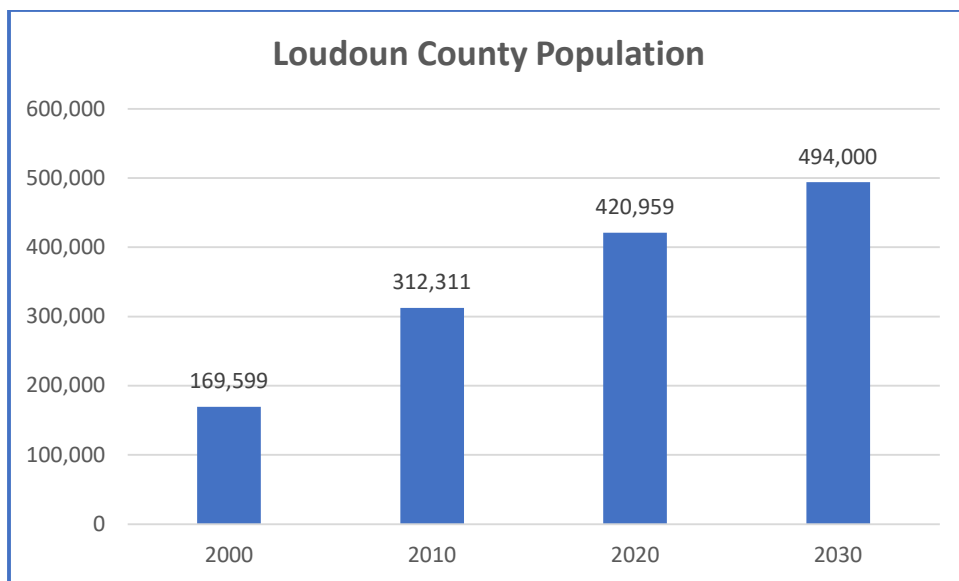
⁷⁶ Decennial Census.

⁷⁷ Id. at Table 2.

“Loudoun County’s population has continued to increase as a share of the region’s total. Loudoun now has 17 percent of the region’s population. Loudoun County has continued to provide about one-third of the region’s population growth, at 34 percent of the region’s total growth for both the most recent decade and the 2000 to 2010 decade. The region’s growth has slowed just as Loudoun’s growth has. While the region’s population increased roughly 320,000 from 2010 to 2020, this increase was 23 percent less than the growth that occurred in the prior decade. Similarly, Loudoun’s population increase of nearly 110,000 was 24 percent less growth than occurred in the prior decade.”⁷⁸

Loudoun County’s growth rate from 2020 to 2030 is expected to be half of the rate from 2010 to 2020.⁷⁹ Leesburg’s 2030 population forecast is based on similar slowing growth, with the growth rate forecast to be half (6.6 percent) of the rate between 2010 and 2020 (13.2 percent).⁸⁰

Figure 4. Population Trends: Loudoun County⁸¹



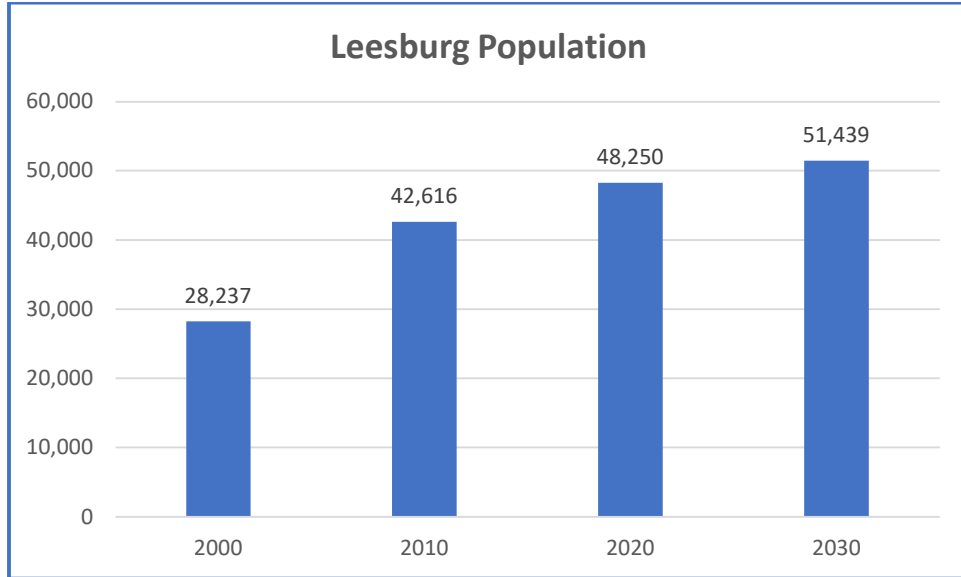
⁷⁸ Id.

⁷⁹ Loudoun County Office of Management and Budget.

⁸⁰ Loudoun County Office of Management and Budget.

⁸¹ U.S. Census Bureau, Decennial Census 2000, 2010, and 2020 actuals; Metropolitan Washington Council of Governments Round 10.0 Control Total submission, (Nov. 2, 2022); Loudoun County Office of Management and Budget.

Figure 5. Population Trends: Town of Leesburg⁸²



Although the County believes the population estimates provided in the figures above represent a more accurate forecast, the general projections from University of Virginia’s Weldon Cooper Center are also provided in the table below.

Table 3. Weldon Cooper Population Projections⁸³

| | 2030 | 2040 |
|----------------|---------|---------|
| Leesburg | 59,833 | 73,144 |
| Loudoun County | 522,015 | 638,144 |

Demographic metrics for both Loudoun County and the Town of Leesburg compare favorably when examined in terms of averages for the Commonwealth. Both jurisdictions are experiencing growth, with high median household incomes, and generally younger populations than the statewide average.

⁸² U.S. Census Bureau, Decennial Census 2000, 2010, and 2020 actuals; Loudoun County Office of Management and Budget, April 28, 2023 (2030 forecast).

⁸³ University of Virginia Weldon Cooper Center, Demographics Research Group, Virginia Population Projections (2022), <https://demographics.coopercenter.org/virginia-population-projections>.

Table 4. Demographic Data Table⁸⁴

| | Loudoun County | Leesburg | Virginia |
|--|---------------------------|-----------------|-----------------|
| Population | | | |
| 2020 Population | 420,959 | 48,250 | 8,631,393 |
| 2010 to 2020 Population Growth (percent) | 34.8% | 13.2% | 7.9% |
| Income, 2017-2021 average, in 2021 inflation-adjusted dollars | | | |
| Median Household Income | 156,821 | 116,350 | 80,615 |
| <i>MOE</i> | ±2,662 | ±8,256 | ±377 |
| Age, 2017-2021 average | | | |
| Median Age | 36.9 | 35.3 | 38.5 |
| <i>MOE</i> | ±0.2 | ±1.1 | ±0.1 |
| Percent younger than 18 | 28.0% | 27.8% | 22.1% |
| <i>MOE</i> | ***** | ±1.5 | ±0.1 |
| Percent 65 and older | 9.5% | 7.9% | 15.5% |
| <i>MOE</i> | ±0.1 | ±1.1 | ±0.1 |

Table 5. Housing Occupancy⁸⁵

| | Loudoun County, Virginia | | Leesburg, Virginia | |
|--|---------------------------------|---------|---------------------------|---------|
| | Count | Percent | Count | Percent |
| Total housing units | 142,074 | 100.0% | 16,699 | 100.0% |
| Occupied housing units | 137,442 | 96.7% | 16,184 | 96.9% |
| Vacant housing units | 4,632 | 3.3% | 515 | 3.1% |
| Homeowner vacancy rate⁸⁶ | 0.7% | | 0.6% | |

⁸⁴ Loudoun County Office of Management and Budget. See U.S. Census Bureau. Population: 2010 and 2020 Decennial Census. Income: 2017-2021 Five-Year American Community Survey, table S1903. Age: 2017-2021 Five-Year American Community Survey, table DP05. Note: “*****” – the Census Bureau states that “a margin of error is not appropriate because the corresponding estimate is controlled to an independent population or housing estimate. Effectively, the corresponding estimate has no sampling error and the margin of error may be treated as zero.”

⁸⁵ U.S. Census Bureau, Decennial 2020 Census, Loudoun County, Virginia Profile of General Population and Housing Characteristics (hereinafter “Census Profile”), <https://tinyurl.com/49pnpshh>.

⁸⁶ The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant “for sale.” It is computed by dividing the total number of vacant units “for sale only” by the sum of owner-occupied units, vacant

| | | | | |
|---|------|--|------|--|
| Rental vacancy rate (percent)⁸⁷ | 5.6% | | 4.8% | |
|---|------|--|------|--|

1 Va. Admin. Code § 50-20-540(5)

The table below reflects the number of resident Loudoun County Public School (“LCPS”) students (kindergarten-grade 12) for Loudoun County, as well as the Town of Leesburg, for each of the past ten school years.⁸⁸ Each September, LCPS performs a geocode/address match all enrolled LCPS students by place of residence. These student counts will not identically match the official September 30th reported enrollment for LCPS because some students who live outside of Loudoun County are enrolled (*e.g.*, tuition-paying students).⁸⁹

Table 6. School Enrollment⁹⁰

| Year | Loudoun County - # Resident K-12 Students | Town of Leesburg - # Resident K-12 Students |
|----------------|--|--|
| September 2012 | 67483 | 9135 |
| September 2013 | 70022 | 9181 |
| September 2014 | 72620 | 9243 |
| September 2015 | 75316 | 9179 |
| September 2016 | 78094 | 9273 |
| September 2017 | 80345 | 9255 |
| September 2018 | 81529 | 9118 |
| September 2019 | 82996 | 9224 |
| September 2020 | 80774 | 8625 |
| September 2021 | 80635 | 8518 |
| September 2022 | 81077 | 8573 |

Through its capital budget process, LCPS projects six years out and reviews enrollment and revises projections annually. The table below provides the September 30, 2028 LCPS

units that are “for sale only,” and vacant units that have been sold but not yet occupied; and then multiplying by 100. Census Profile at Table Note 4.

⁸⁷ The rental vacancy rate is the proportion of the rental inventory that is vacant “for rent.” It is computed by dividing the total number of vacant units “for rent” by the sum of the renter-occupied units, vacant units that are “for rent,” and vacant units that have been rented but not yet occupied; and then multiplying by 100. Census Profile at Table Note 5.

⁸⁸ The Town of Leesburg students are reflected in the Loudoun County counts.

⁸⁹ Loudoun County Public Schools, Beverly I. Tate, Director of Division of Planning & GIS Services.

⁹⁰ Loudoun County Public Schools, Beverly I. Tate, Director of Division of Planning & GIS Services.

projection of Loudoun County students (kindergarten-grade 12), and again a subset for only Town of Leesburg resident projected students (kindergarten-grade 12).⁹¹

Table 7. School Student Projections⁹²

| Projection* | County of Loudoun - # Projected K-12 Students | Town of Leesburg - # Projected K-12 Students |
|--------------------|--|---|
| September 30, 2028 | 83723 | 8474 |

*LCPS K-12 projection prepared in fall 2022, for FY 2024 operating and capital budgets

1 Va. Admin. Code § 50-20-540(3)

Table 8. County and Town Land Use by Zone⁹³

Land Use By Zone (Developed and Vacant)
Loudoun County, VA (2023)

| Use | Leesburg | | Loudoun | | Annexation Area | |
|--------------|--------------|------------|----------------|------------|-----------------|------------|
| | Acres | Percentage | Acres | Percentage | Acres | Percentage |
| Town Land | - | 0.0% | 10,242 | 3.2% | - | 0.0% |
| Agriculture | - | 0.0% | 223,392 | 69.8% | - | 0.0% |
| Residential | 5,072 | 74.2% | 49,361 | 15.4% | - | 0.0% |
| Industrial | 315 | 4.6% | 21,861 | 6.8% | 352 | 91.5% |
| Commercial | 644 | 9.4% | 4,098 | 1.3% | 33 | 8.5% |
| JLMA | - | 0.0% | 4,355 | 1.4% | - | 0.0% |
| Mixed-Use | 497 | 7.3% | 6,055 | 1.9% | - | 0.0% |
| Special Use | 308 | 4.5% | 749 | 0.2% | - | 0.0% |
| Total | 6,836 | | 320,113 | | 385 | |

⁹¹ The projected Town of Leesburg students are reflected in the projected Loudoun County counts. The LCPS projection methodology is detailed in the School Board Adopted FY2024-FY2029 Capital Improvement Program at pages 63–68, <https://tinyurl.com/2katy3a6>.

⁹² Loudoun County Public Schools, Beverly I. Tate, Director of Division of Planning & GIS Services.

⁹³ RKG Associates, Inc.

Table 9. Acreage in County and Town by Land Use⁹⁴

Acreage in Loudoun County By Land Use
Loudoun County, VA (2023)

| Use | Leesburg | | Loudoun | | Annexation Area | |
|--------------------------------------|--------------|------------|----------------|------------|-----------------|------------|
| | Acres | Percentage | Acres | Percentage | Acres | Percentage |
| Residential | 3,656 | 53.5% | 245,561 | 76.7% | - | 0.0% |
| Commercial | 1,169 | 17.1% | 26,943 | 8.4% | 33 | 8.6% |
| Industrial | 190 | 2.8% | 8,847 | 2.8% | 352 | 91.4% |
| Exempt/Institutional/ Special Use | 1,821 | 26.6% | 28,520 | 8.9% | - | 0.0% |
| Town-Land | - | 0.0% | 10,242 | 3.2% | - | 0.0% |
| Total | 6,836 | | 320,113 | | 385 | |

Table 10. County and Town Developed Acreage by Land Use⁹⁵

Developed Land Acreage in Loudoun County By Land Use
Loudoun County,
VA (2023)

| Use | Leesburg | | Loudoun | | Annexation Area | |
|-------------------------------|--------------|------------|----------------|------------|-----------------|------------|
| | Acres | Percentage | Acres | Percentage | Acres | Percentage |
| Residential | 3,345 | 75.2% | 196,128 | 87.2% | - | 0.0% |
| Commercial (Office/Retail) | 651 | 14.6% | 3,309 | 1.5% | 31 | 8.7% |
| Miscellaneous Commercial | 273 | 6.1% | 19,397 | 8.6% | - | 0.0% |
| Industrial | 112 | 2.5% | 5,984 | 2.7% | 323 | 91.3% |
| Mixed Use | 70 | 1.6% | 99 | 0.0% | - | 0.0% |
| Total | 4,451 | | 224,918 | | 354 | |

⁹⁴ RKG Associates, Inc.

⁹⁵ RKG Associates, Inc.

Table 11. County and Town Vacant Acreage by Land Use⁹⁶

Vacant Land Acreage in Loudoun County By Land Use
Loudoun County, VA (2023)

| Use | Leesburg | | Loudoun | | Annexation Area | |
|--------------|------------|------------|---------------|------------|-----------------|------------|
| | Acres | Percentage | Acres | Percentage | Acres | Percentage |
| Residential | 311 | 55.1% | 49,433 | 87.6% | - | 0.0% |
| Commercial | 175 | 31.0% | 4,137 | 7.3% | 2 | 4.9% |
| Industrial | 78 | 13.8% | 2,863 | 5.1% | 29 | 95.1% |
| Total | 564 | | 56,433 | | 31 | |

Note: Numbers are from original analysis, this excludes developed and vacant institutional/exempt uses- Explains total differences seen in zoning table in sheet 2

⁹⁶ RKG, Associates, Inc.

Section 5 Financial Information

With the exception of Table 24 addressing the County’s long-term debt, the tables provided in this section were prepared for the Commission on behalf of the County by PFM Group Consulting, LLC, who also contributed to the analysis and report attached as Appendix A. The source of the data is provided following each table. The data is organized herein under the relevant regulatory citation. Additional data and analysis can be found in Section 6 *infra* and Appendix A.

1 Va. Admin. Code § 50-20-540(6)

Table 12. Loudoun County Assessed Value of Taxable Property

| Fiscal Year | Real Property | | | Personal Property | | Less: Tax Exempt Real Property | Total Taxable Assessed Value |
|-------------|----------------------|---------------------|-----------------------|-------------------|----------------|--------------------------------|------------------------------|
| | Residential Property | Commercial Property | Agricultural Property | Motor Vehicles | Other | | |
| 2010 | 39,017,317,800 | 17,059,031,027 | 3,195,328,500 | 2,235,611,828 | 1,962,529,466 | 4,830,803,300 | 58,639,015,321 |
| 2011 | 40,803,550,100 | 16,925,004,000 | 3,074,079,800 | 2,374,460,302 | 2,079,399,563 | 4,975,969,800 | 60,280,523,965 |
| 2012 | 42,339,146,700 | 17,195,936,300 | 2,968,638,600 | 2,587,376,111 | 2,121,835,958 | 5,148,056,700 | 62,064,876,969 |
| 2013 | 44,774,937,934 | 17,688,305,039 | 2,862,747,040 | 2,728,476,540 | 2,617,701,019 | 5,289,844,810 | 65,382,322,762 |
| 2014 | 49,375,732,710 | 18,798,029,977 | 2,982,086,580 | 2,875,108,689 | 2,598,818,757 | 5,433,975,660 | 71,195,801,053 |
| 2015 | 52,975,768,941 | 20,323,832,864 | 2,940,245,016 | 3,033,345,780 | 3,326,341,970 | 6,012,249,930 | 76,587,284,641 |
| 2016 | 54,917,990,742 | 21,568,714,666 | 2,995,288,600 | 3,278,370,552 | 3,998,584,450 | 6,257,253,650 | 80,501,695,360 |
| 2017 | 58,148,493,590 | 23,366,400,909 | 2,803,499,312 | 3,388,052,579 | 4,929,481,053 | 6,632,399,610 | 86,003,527,833 |
| 2018 | 61,936,669,110 | 25,119,655,647 | 2,726,561,540 | 3,556,701,543 | 6,535,465,563 | 6,768,969,400 | 93,106,084,003 |
| 2019 | 66,114,768,110 | 27,421,211,797 | 2,655,783,620 | 3,804,606,730 | 8,354,607,836 | 7,211,216,910 | 101,139,761,183 |
| 2020 | 70,046,842,520 | 30,147,886,325 | 2,533,941,680 | 3,919,437,324 | 9,711,240,906 | 7,507,472,430 | 108,851,876,325 |
| 2021 | 75,380,280,240 | 29,653,799,612 | 2,588,965,060 | 4,159,755,150 | 11,983,805,279 | 7,548,108,630 | 116,218,496,711 |
| 2022 | 87,579,373,040 | 35,648,183,331 | 2,774,984,530 | 4,764,748,846 | 13,861,874,874 | 8,394,869,980 | 136,234,294,641 |

Source: Loudoun County Comprehensive Annual Financial Reports, FY2010 through FY2022

Table 13. Town of Leesburg Assessed Value of Taxable Property

| Tax Year | <u>Public Service Corporations</u> | | | | Total Assessed Valuation |
|----------|------------------------------------|-------------------|---------------|-------------------|--------------------------|
| | Real Property | Personal Property | Real Property | Personal Property | |
| 2010 | 5,557,189,300 | 425,625,374 | 106,373,774 | 1,762,446 | 6,090,950,894 |
| 2011 | 5,675,717,100 | 498,450,685 | 108,083,816 | 1,613,618 | 6,283,865,219 |
| 2012 | 5,802,517,900 | 528,113,712 | 108,553,642 | 891,242 | 6,440,076,496 |
| 2013 | 6,085,462,040 | 481,548,404 | 105,809,512 | 737,446 | 6,673,557,402 |
| 2014 | 6,438,888,020 | 447,867,148 | 111,087,100 | 695,117 | 6,998,537,385 |
| 2015 | 6,643,105,870 | 388,770,026 | 108,441,453 | 653,035 | 7,140,970,384 |
| 2016 | 6,718,865,180 | 428,519,647 | 117,080,280 | 549,045 | 7,265,014,152 |
| 2017 | 7,081,200,240 | 412,219,300 | 116,315,393 | 426,223 | 7,610,161,156 |
| 2018 | 7,529,930,110 | 385,548,796 | 117,980,215 | 514,888 | 8,033,974,009 |
| 2019 | 7,889,996,600 | 409,437,516 | 120,153,718 | 549,604 | 8,420,137,438 |
| 2020 | 8,316,479,500 | 409,404,929 | 133,146,343 | 217,917 | 8,859,248,689 |
| 2021 | 8,766,130,579 | 417,083,220 | 142,329,848 | 183,069 | 9,325,726,716 |
| 2022 | 9,946,385,010 | 526,527,939 | 147,413,050 | 156,589 | 10,620,482,588 |

Source: Town of Leesburg Comprehensive Annual Financial Reports, FY2010 through FY2022

Table 14. Ratio of Assessed to True Value of Property in Loudoun County, 2010 to Present

| Tax Year | |
|----------|--------|
| 2010 | 90.95% |
| 2011 | 93.54% |
| 2012 | 92.57% |
| 2013 | 88.52% |
| 2014 | 91.62% |
| 2015 | 94.79% |
| 2016 | 93.04% |
| 2017 | 91.37% |
| 2018 | 91.36% |
| 2019 | 91.66% |
| 2020 | 89.48% |
| 2021 | 84.67% |

Source: Virginia Department of Taxation, The Virginia Assessment/Sales Ratio Study for Tax Years 2010 through 2021

Table 15. APA Taxable Assessed Value (Past Year)

| | Tax Year 2022 |
|---|----------------------|
| Proposed Annexation Area Taxable Assessed Value | \$195,694,339 |

Source: Loudoun County Department of Finance and Budget & Loudoun County Commissioner of the Revenue

1 Va. Admin. Code § 50-20-540(7)

Table 16. Historical Tax Rates in Town and County 2010 to Present

All Tax Rates are per \$100 of Taxable Assessed Value

| Tax Year | Town of Leesburg | | Loudoun County | | Combined Town and County | |
|----------|------------------|-------------------|----------------|-------------------|--------------------------|-------------------|
| | Real Property | Personal Property | Real Property | Personal Property | Real Property | Personal Property |
| 2010 | 0.1950 | 1.0000 | 1.3000 | 4.2000 | 1.4950 | 5.2000 |
| 2011 | 0.1950 | 1.0000 | 1.2850 | 4.2000 | 1.4800 | 5.2000 |
| 2012 | 0.1950 | 1.0000 | 1.2350 | 4.2000 | 1.4300 | 5.2000 |
| 2013 | 0.1920 | 1.0000 | 1.2050 | 4.2000 | 1.3970 | 5.2000 |
| 2014 | 0.1830 | 1.0000 | 1.1550 | 4.2000 | 1.3380 | 5.2000 |
| 2015 | 0.1830 | 1.0000 | 1.1350 | 4.2000 | 1.3180 | 5.2000 |
| 2016 | 0.1860 | 1.0000 | 1.1450 | 4.2000 | 1.3310 | 5.2000 |
| 2017 | 0.1840 | 1.0000 | 1.1250 | 4.2000 | 1.3090 | 5.2000 |
| 2018 | 0.1840 | 1.0000 | 1.0850 | 4.2000 | 1.2690 | 5.2000 |
| 2019 | 0.1840 | 1.0000 | 1.0450 | 4.2000 | 1.2290 | 5.2000 |
| 2020 | 0.1840 | 1.0000 | 1.0350 | 4.2000 | 1.2190 | 5.2000 |
| 2021 | 0.1840 | 1.0000 | 0.9800 | 4.2000 | 1.1640 | 5.2000 |
| 2022 | 0.1774 | 1.0000 | 0.8900 | 4.2000 | 1.0674 | 5.2000 |
| 2023 | 0.1774 | 1.0000 | 0.8750 | 4.2000 | 1.0524 | 5.2000 |

Source:

Loudoun County Comprehensive Annual Financial Report, FY2010 through FY2022

Town of Leesburg Comprehensive Annual Financial Report, FY2010 through FY2022

Town of Leesburg FY2024 adopted budget

Loudoun County FY2024 adopted budget

Table 17. Historical Tax Rates in Proposed Annexation Area 2010 to Present

| Town and County | | |
|------------------------|----------------------|--------------------------|
| Tax Year | Real Property | Personal Property |
| 2010 | 1.300 | 4.200 |
| 2011 | 1.285 | 4.200 |
| 2012 | 1.235 | 4.200 |
| 2013 | 1.205 | 4.200 |
| 2014 | 1.155 | 4.200 |
| 2015 | 1.135 | 4.200 |
| 2016 | 1.145 | 4.200 |
| 2017 | 1.125 | 4.200 |
| 2018 | 1.085 | 4.200 |
| 2019 | 1.045 | 4.200 |
| 2020 | 1.035 | 4.200 |
| 2021 | 0.980 | 4.200 |
| 2022 | 0.890 | 4.200 |
| 2023 | 0.875 | 4.200 |

Table 18. Loudoun County Local Non-Property Tax Rates, FY2010 to FY2023
Local Non-Property Tax Rates, FY2010 to FY2023

| Fiscal Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | |
|--|---|--------------|--------------|--------------|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------|
| Sales and Use Tax | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | |
| Utility Tax | | | | | | | | | | | | | | | |
| Natural Gas - Residential | 9% of the first \$30, \$2.70 max per month | | | | \$0.63 per month plus \$0.06485 per CCF delivered to a maximum of \$2.70 | | | | | | | | | | |
| Natural Gas - Commercial | 8% of the first \$900, \$72.00 max per month | | | | \$0.676 per month plus \$0.0304 per CCF delivered to a maximum of \$72.00 | | | | | | | | | | |
| Electric - Residential | 9% of the first \$30, \$2.70 max per month | | | | \$0.63 per month plus \$0.006804 per kWh to a maximum of \$2.70 | | | | | | | | | | |
| Electric - Commercial | 8% of the first \$900, \$72.00 max per month | | | | \$0.92 per month plus \$0.005393 per kWh to a maximum of \$72.00 | | | | | | | | | | |
| E 9-1-1 (per line per month) | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | \$0.75 | |
| Business, Professional and Occupational License (BPOL) Tax | | | | | | | | | | | | | | | |
| Amusements | \$0.21/\$100 | \$0.21/\$100 | \$0.21/\$100 | \$0.21/\$100 | \$0.21/\$100 | \$0.21/\$100 | \$0.21/\$100 | \$0.21/\$100 | \$0.21/\$100 | \$0.21/\$100 | \$0.21/\$100 | \$0.21/\$100 | \$0.21/\$100 | \$0.21/\$100 | |
| Business Service Occupations | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | |
| Business Services/Aircraft Lease | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | |
| Business Services/Computer Info | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.00/\$100 | \$0.00/\$100 | \$0.00/\$100 | |
| Federal R&D | \$0.03/100 | \$0.03/\$100 | \$0.03/100 | \$0.03/100 | \$0.03/\$100 | \$0.03/\$100 | \$0.03/\$100 | \$0.03/\$100 | \$0.03/\$100 | \$0.03/\$100 | \$0.03/\$100 | \$0.03/\$100 | \$0.03/\$100 | \$0.03/100 | |
| Personal Service Occupations | \$0.23/100 | \$0.23/\$100 | \$0.23/100 | \$0.23/100 | \$0.23/100 | \$0.23/100 | \$0.23/100 | \$0.23/100 | \$0.23/100 | \$0.23/100 | \$0.23/100 | \$0.23/100 | \$0.23/100 | \$0.23/100 | |
| Contractors and Contracting | \$0.13/\$100 | \$0.13/\$100 | \$0.13/\$100 | \$0.13/\$100 | \$0.13/\$100 | \$0.13/\$100 | \$0.13/\$100 | \$0.13/\$100 | \$0.13/\$100 | \$0.13/\$100 | \$0.13/\$100 | \$0.13/\$100 | \$0.13/\$100 | \$0.13/\$100 | |
| Hotels and Motels | \$0.23/\$100 | \$0.23/\$100 | \$0.23/\$100 | \$0.23/\$100 | \$0.23/\$100 | \$0.23/\$100 | \$0.23/\$100 | \$0.23/\$100 | \$0.23/\$100 | \$0.23/\$100 | \$0.23/\$100 | \$0.23/\$100 | \$0.23/\$100 | \$0.23/\$100 | |
| Professional & Specialized | \$0.33/\$100 | \$0.33/\$100 | \$0.33/\$100 | \$0.33/\$100 | \$0.33/\$100 | \$0.33/\$100 | \$0.33/\$100 | \$0.33/\$100 | \$0.33/\$100 | \$0.33/\$100 | \$0.33/\$100 | \$0.33/\$100 | \$0.33/\$100 | \$0.33/\$100 | |
| Renting by Owner | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | |
| Repair Service Occupation | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | |
| Retail Merchant | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | \$0.17/\$100 | |
| Retail Merchant/Cert Short-term Rental | \$0.20/\$100 | \$0.20/100 | \$0.20/\$100 | \$0.20/\$100 | \$0.20/\$100 | \$0.20/\$100 | \$0.20/\$100 | \$0.20/\$100 | \$0.20/\$100 | \$0.20/\$100 | \$0.20/\$100 | \$0.20/\$100 | \$0.20/\$100 | \$0.20/\$100 | |
| Wholesale Merchant | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | \$0.05/\$100 | |
| Money Lenders | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | \$0.16/\$100 | |
| Coin Operated Machines, 10 or fewer | \$150/year | \$150/year | \$150/year | \$150/year | \$150/year | \$150/year | \$150/year | \$150/year | \$150/year | \$150/year | \$150/year | \$150/year | \$150/year | \$150/year | |
| Coin Operated Machines, 10 or more | \$200/year | \$200/year | \$200/year | \$200/year | \$200/year | \$200/year | \$200/year | \$200/year | \$200/year | \$200/year | \$200/year | \$200/year | \$200/year | \$200/year | |
| Fortune Tellers | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | |
| Itinerant Merchants | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | \$500/year | |
| Satellite Imaging Services | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | \$0.15/\$100 | |
| Public Svc. Corporations License | \$0.50/\$100 | \$0.50/\$100 | \$0.50/\$100 | \$0.50/\$100 | \$0.50/\$100 | \$0.50/\$100 | \$0.50/\$100 | \$0.50/\$100 | \$0.50/\$100 | \$0.50/\$100 | \$0.50/\$100 | \$0.50/\$100 | \$0.50/\$100 | \$0.50/\$100 | |
| Going Out of Business Sale Permits | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 | |
| Mixed Beverage Licenses | \$200-\$500 | \$200-\$500 | \$200-\$500 | \$200-\$500 | \$200-\$500 | \$200-\$500 | \$200-\$500 | \$200-\$500 | \$200-\$500 | \$200-\$500 | \$200-\$500 | \$200-\$500 | \$200-\$500 | \$200-\$500 | |
| Vehicle License Fee | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 | |
| Bank Franchise Tax | \$0.80/\$100 of franchise value (80 percent of the bank franchise tax rate imposed by the Commonwealth) | | | | | | | | | | | | | | |
| Recordation Tax | \$0.083/\$100 of recorded value (one-third of the State's recordation rate) | | | | | | | | | | | | | | |
| Taxes on Wills | \$0.033/\$100 of recorded value (one-third of the State's recordation rate) | | | | | | | | | | | | | | |
| Transient Occupancy Tax | 5.0% | 5.0% | 5.0% | 5.0% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% | 8.0% | 8.0% | 8.0% |
| Short-Term Rental Tax | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% | |
| Cigarette Tax (per pack of 20 cigarettes) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$0.40 | \$0.40 |
| Disposable Plastic Bag Tax (per bag) | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | \$0.05 |

Source: Loudoun County Annual Adopted Budgets, FY2010 to FY2023; Codified Ordinances of Loudoun County

1 Va. Admin. Code § 50-20-540(8)

Table 19. Summary of Town of Leesburg Local Revenues

| Fiscal Year | Real Property | Personal Property | Business and Professional License | Consumer Utility Tax | Local Sales and Use Tax | Other | Total Local Revenue |
|--------------------|----------------------|--------------------------|--|-----------------------------|--------------------------------|--------------|----------------------------|
| 2010 | 10,694,096 | 1,460,831 | 2,708,180 | 1,489,727 | 3,841,961 | 14,098,456 | 34,293,251 |
| 2011 | 10,721,411 | 1,585,710 | 2,880,044 | 1,542,597 | 4,158,970 | 14,916,456 | 35,805,188 |
| 2012 | 10,960,748 | 1,700,030 | 2,860,659 | 1,495,345 | 4,509,128 | 15,286,140 | 36,812,050 |
| 2013 | 11,428,897 | 2,001,871 | 3,072,266 | 1,546,528 | 4,407,688 | 15,643,682 | 38,100,932 |
| 2014 | 11,696,344 | 1,927,006 | 3,292,385 | 1,564,500 | 4,167,178 | 16,952,449 | 39,599,862 |
| 2015 | 11,598,917 | 1,783,107 | 3,326,739 | 1,559,559 | 4,610,450 | 18,014,023 | 40,892,795 |
| 2016 | 12,253,344 | 1,895,101 | 3,152,175 | 1,525,755 | 5,141,458 | 17,637,901 | 41,605,734 |
| 2017 | 12,603,494 | 1,943,799 | 3,482,857 | 1,379,045 | 5,384,169 | 19,318,746 | 44,112,110 |
| 2018 | 13,667,720 | 1,763,566 | 3,751,559 | 1,396,145 | 5,252,089 | 20,255,351 | 46,086,430 |
| 2019 | 14,155,918 | 2,228,578 | 3,840,451 | 1,383,235 | 5,693,638 | 21,834,409 | 49,136,229 |
| 2020 | 14,850,410 | 1,388,901 | 3,928,783 | 1,354,066 | 6,088,771 | 18,125,566 | 45,736,497 |
| 2021 | 15,719,401 | 2,795,373 | 4,031,292 | 1,354,668 | 6,401,152 | 17,982,853 | 48,284,739 |
| 2022 | 16,769,311 | 3,247,637 | 4,361,698 | 1,354,300 | 7,135,552 | 20,639,729 | 53,508,227 |

Table 20. Summary of Town of Leesburg Total Revenues

| Fiscal Year | Local Revenue | Intergovernmental Aid | Total Revenue |
|--------------------|----------------------|------------------------------|----------------------|
| 2010 | 34,293,251 | 7,661,576 | 41,954,827 |
| 2011 | 35,805,188 | 7,969,521 | 43,774,709 |
| 2012 | 36,812,050 | 7,751,751 | 44,563,801 |
| 2013 | 38,100,932 | 7,891,140 | 45,992,072 |
| 2014 | 39,599,862 | 8,220,119 | 47,819,981 |
| 2015 | 40,892,795 | 8,260,941 | 49,153,736 |
| 2016 | 41,605,734 | 9,273,426 | 50,879,160 |
| 2017 | 44,112,110 | 9,524,690 | 53,636,800 |
| 2018 | 46,086,430 | 8,935,249 | 55,021,679 |
| 2019 | 49,136,229 | 8,708,503 | 57,844,732 |
| 2020 | 45,736,497 | 9,662,695 | 55,399,192 |
| 2021 | 48,284,739 | 17,883,724 | 66,168,463 |
| 2022 | 53,508,227 | 11,522,253 | 65,030,480 |

Source: Virginia Auditor of Public Accounts, FY2010 to FY2022 Local Government Comparative Reports

Table 21. Summary of Loudoun County Local Revenues

| Fiscal Year | Real Property | Personal Property | Business and Professional License | Consumer Utility Tax | Local Sales and Use Tax | Other | Total Local Revenue |
|--------------------|----------------------|--------------------------|--|-----------------------------|--------------------------------|--------------|----------------------------|
| 2010 | 664,373,952 | 91,382,899 | 23,076,923 | 7,910,323 | 49,729,614 | 138,736,944 | 975,210,655 |
| 2011 | 682,487,664 | 107,109,666 | 25,355,443 | 8,120,001 | 53,832,926 | 139,530,366 | 1,016,436,066 |
| 2012 | 686,378,443 | 120,157,801 | 25,995,887 | 7,994,234 | 58,365,310 | 165,538,093 | 1,064,429,768 |
| 2013 | 695,252,996 | 141,417,161 | 28,400,776 | 9,601,872 | 58,036,536 | 181,009,754 | 1,113,719,095 |
| 2014 | 722,304,319 | 171,779,583 | 29,209,497 | 9,715,656 | 54,667,986 | 198,900,203 | 1,186,577,244 |
| 2015 | 757,559,053 | 194,439,448 | 31,558,942 | 10,951,369 | 61,411,195 | 208,620,161 | 1,264,540,168 |
| 2016 | 790,754,276 | 236,216,594 | 31,785,671 | 10,301,618 | 68,976,067 | 218,106,128 | 1,356,140,354 |
| 2017 | 817,644,187 | 289,155,655 | 35,210,681 | 10,829,893 | 72,469,150 | 254,407,256 | 1,479,716,822 |
| 2018 | 854,510,188 | 341,680,302 | 36,760,291 | 11,460,362 | 74,095,287 | 244,547,543 | 1,563,053,973 |
| 2019 | 870,881,714 | 417,059,701 | 40,070,878 | 11,192,327 | 77,782,399 | 240,522,988 | 1,657,510,007 |
| 2020 | 912,415,331 | 494,853,809 | 43,405,100 | 11,641,488 | 80,478,625 | 222,637,291 | 1,765,431,644 |
| 2021 | 964,854,554 | 563,206,080 | 42,426,730 | 12,193,162 | 90,053,162 | 251,339,987 | 1,924,073,675 |
| 2022 | 1,014,836,399 | 679,399,768 | 47,427,543 | 12,992,812 | 104,544,712 | 246,537,203 | 2,105,738,437 |

Table 22. Summary of Loudoun County Total Revenues

| Fiscal Year | Local Revenue | Intergovernmental Aid | Total Revenue |
|--------------------|----------------------|------------------------------|----------------------|
| 2010 | 975,210,655 | 331,505,348 | 1,306,716,003 |
| 2011 | 1,016,436,066 | 356,619,195 | 1,373,055,261 |
| 2012 | 1,064,429,768 | 359,877,194 | 1,424,306,962 |
| 2013 | 1,113,719,095 | 387,654,413 | 1,501,373,508 |
| 2014 | 1,186,577,244 | 395,307,295 | 1,581,884,539 |
| 2015 | 1,264,540,168 | 416,695,063 | 1,681,235,231 |
| 2016 | 1,356,140,354 | 430,275,441 | 1,786,415,795 |
| 2017 | 1,479,716,822 | 466,071,595 | 1,945,788,417 |
| 2018 | 1,563,053,973 | 484,100,291 | 2,047,154,264 |
| 2019 | 1,657,510,007 | 521,636,589 | 2,179,146,596 |
| 2020 | 1,765,431,644 | 569,391,020 | 2,334,822,664 |
| 2021 | 1,924,073,675 | 685,445,272 | 2,609,518,947 |
| 2022 | 2,105,738,437 | 667,285,721 | 2,773,024,158 |

Source: Virginia Auditor of Public Accounts, FY2010 to FY2022 Local Government Comparative Reports

Table 23. APA Revenues (Past Year)

| | Tax Year 2022 |
|-----------------------------------|----------------------|
| Real Property | 1,736,874 |
| Personal Property | 844,401 |
| Business and Professional License | 171,945 |
| Consumer Utility | 216 |
| Sales and Use | 125,921 |
| Total Local Revenue | \$2,879,357 |

Source: Loudoun County Department of Finance and Budget

1 Va. Admin. Code § 50-20-540(9)

Table 24. Loudoun County Long-term Debt

Loudoun County, Virginia

Outstanding Debt

Key:

VPSA = Virginia Public School Authority

GO = General Obligation

VML = Virginia Municipal League

VACo = Virginia Association of Counties

IDA = Industrial Development Authority of Loudoun County, Virginia

EDA = Economic Development Authority of Loudoun County, Virginia

VRA = Virginia Resources Authority

| Outstanding Debt | Original Amount | Outstanding 6/30/2023* | Purpose |
|---|------------------------|-----------------------------------|---|
| GO Series Outstanding | | | |
| 2004B VPSA School Financing Bonds | \$66,525,000 | \$6,650,000 | School improvements |
| 2006A VPSA School Financing Bonds | 15,225,000 | 3,040,000 | School improvements |
| 2007A VPSA School Financing Bonds | 4,800,000 | 1,200,000 | School improvements |
| 2008A VPSA School Financing Bonds | 12,290,000 | 3,680,000 | School improvements |
| 2011-2 VPSA School Tax Credit Bonds | 5,000,000 | 2,120,000 | School improvements |
| 2014A GO Public Improvement Bonds | 69,960,000 | 37,125,000 | Public school and public facility improvements and acquisition and equipping of capital apparatus |
| 2014B GO Public Improvement Bonds | 47,375,000 | 19,685,000 | Public school and public facility improvements and acquisition and equipping of capital apparatus |
| 2014C VPSA School Financing Bonds | 10,885,000 | 6,535,000 | School improvements |
| 2015A GO Public Improvement Bonds | 69,895,000 | 37,110,000 | Public school and public facility improvements and acquisition and equipping of capital apparatus |
| 2016A GO Public Improvement and Refunding Bonds | 147,990,000 | 87,255,000 | Refunding of 2007B and 2009A GO Bonds, public school and public facility improvements, and acquisition and equipping of capital |

| | | | |
|---|-------------|-------------|---|
| | | | <p>apparatus. The final maturity of the refunded 2007B Bonds was 12/1/2022.</p> <p>The final maturity of the refunded 2009A Bonds is 7/1/2028 and those bonds financed public school and public facility improvements, land and fire/sheriff stations.</p> |
| 2017A GO Public Improvement Bonds | 108,730,000 | 76,090,000 | Public school and public facility improvements |
| 2018A GO Public Improvement Bonds | 148,275,000 | 106,415,000 | Public school and public facility improvements |
| 2019A GO Public Improvement Bonds | 170,370,000 | 129,385,000 | Public school and public facility improvements |
| 2020A GO Public Improvement and Refunding Bonds | 199,995,000 | 149,605,000 | <p>Refunding of 2009B GO Bonds and 2010B-2 GO BABs, public school and public facility improvements. The final maturity of the refunded 2009B Bonds was 11/1/2020.</p> <p>The final maturity of the refunded 2010B-2 Bonds is 12/1/2029 and those bonds financed public school and public facility improvements, land and fire/sheriff/rescue stations.</p> |
| 2020B GO Refunding Bonds | 75,170,000 | 49,575,000 | <p>Refunding of 2010A and 2011A GO Bonds.</p> <p>The final maturity of the refunded 2010A Bonds is 12/1/2026 and these bonds refunded the 1998A, 2001C, 2004A, 2005C, 2006B and 2007B Bonds; the final maturity of the refunded 1998A Bonds was 12/1/2018; the final maturity of the refunded 2001C Bonds was 11/1/2021; the final maturity on the refunded 2004A Bonds is 5/1/2024 and these bonds financed public schools, fire/sheriff stations, public library and park and recreation facilities; the final maturity of the refunded 2005C Bonds was 6/1/2020; the final maturity of the refunded 2006B Bonds is 12/1/2024 and these bonds financed public schools, fire/sheriff stations and park and recreation facilities; the final maturity of the refunded 2007B Bonds is 12/1/2026 and these bonds financed public school and public facility improvements, land and fire/sheriff stations.</p> <p>The final maturity of the refunded 2011A Bonds is 12/1/2030 and these bonds financed public school and public facility improvements.</p> |
| 2021A GO Public Improvement Bonds | 156,565,000 | 140,005,000 | Public school and public facility improvements |
| 2021B GO Refunding Bonds | 23,035,000 | 20,795,000 | Refunding of 2012A GO Bonds. The 2012A Bonds financed public school and public facility improvements and capital apparatus. |
| 2022A GO Public Improvement Bonds | 156,685,000 | 147,385,000 | Public school and public facility improvements |

| | | | |
|---|------------------------|------------------------|--|
| 2022B GO Refunding Bonds | 64,680,000 | 64,680,000 | Refunding of 2013A and 2013C GO Bonds. The final maturity of the refunded 2013A Bonds is 12/1/2032 and these bonds refunded the 2005B, 2005C and 2006B GO Bonds and financed public school and public facility improvements; the final maturity of the refunded 2005B Bonds is 6/1/2025 and those bonds financed public schools, fire/sheriff stations, public library and park and recreation facilities; the final maturity of the refunded 2005C Bonds was 6/1/2025 and those bonds financed public schools, fire/sheriff stations, public library and park and recreation facilities; the final maturity of the 2006B Bonds was 12/1/2025 and those bonds financed public schools, fire/sheriff stations and park and recreation facilities. The final maturity of the 2013C Bonds is 12/1/2033 and those bonds financed school improvements. |
| Total GO Series | \$1,553,450,000 | \$1,088,335,000 | |
| Lease Revenue and Financing Agreements Outstanding | | | |
| 2010A VML/VACo Revenue Bonds (Taxable RZEDBs) | \$985,000 | \$410,000 | Design of a juvenile detention center |
| 2012 IDA Public Safety Facility Lease Revenue Refunding Bonds | 14,935,000 | 1,735,000 | Refunding of 2003 IDA Bonds issued for the acquisition, construction, and equipping of a new Adult Detention Center |
| 2015 EDA Public Facility Lease Revenue Bonds | 75,390,000 | 47,115,000 | Road construction, improvement and equipping of County office facilities, improvement of solid waste facilities |
| 2015A EDA Public Facility Lease Revenue Bonds | 30,985,000 | 15,660,000 | Road construction, improvement and equipping of County office facilities, improvement of solid waste facilities |
| 2016A EDA Public Facility Lease Revenue Bonds | 35,795,000 | 19,020,000 | Refunding of 2008B VRA Bonds, group residence, youth shelter, General District Court Building, County office facilities, road construction, stormwater management facility. The final maturity of the refunded 2008B VRA Bonds is 7/1/2028 and those bonds financed an adult detention center. |
| 2016B EDA Public Facility Lease Revenue Bonds | 60,900,000 | 42,460,000 | Road construction, purchase, design, renovation and equipping of County facilities, improvement of solid waste facilities, Juvenile Detention Center, Public Safety Firing Range, Community Center upgrade |
| 2018 EDA Public Facility Lease Revenue Bonds (Taxable) | 97,350,000 | 80,425,000 | Soccer facilities for DC United and Loudoun United and Metro Parking Garages |
| 2019A EDA Public Facility Lease Revenue Bonds | 18,205,000 | 15,580,000 | General District Court Building, land management information system replacement, Rt 7 pedestrian improvements, transit connector bridge |
| 2019B EDA Public Facility Lease Revenue Bonds (Taxable) | 6,560,000 | 2,020,000 | Improvement of solid waste facilities |
| School Vehicle & Computer Equipment Lease 2019 | 10,000,000 | 2,568,153 | Acquisition of school buses and equipment |

| | | | |
|---|----------------------|------------------------|---|
| 2020C VRA Infrastructure Revenue Bonds | 2,985,000 | 2,275,000 | Refunding of Series 2010A VRA Revenue Bonds issued to finance the expansion and improvement of solid waste facilities |
| 2020A EDA Public Facility Lease Revenue and Refunding Bonds | 267,295,000 | 241,880,000 | Refunding of TIFIA Loan and BANs for Dulles Metrorail Project, General District Court Building, land management information system replacement, Public Safety Firing Range, County facilities, network infrastructure, school buses and equipment |
| School Vehicle & Computer Equipment Lease 2020 | 10,000,000 | 5,051,235 | Acquisition of school buses and equipment |
| School Vehicle & Computer Equipment Lease 2021 | 10,000,000 | 4,999,901 | Acquisition of school buses and equipment |
| 2021A EDA Public Facility Revenue and Refunding Bonds | 56,485,000 | 52,085,000 | Refunding of the 2011 IDA Bonds, General District Court Building, network infrastructure, land acquisition for LCPS, County facilities, school buses and equipment. The final maturity of the refunded 2011 IDA Bonds is 6/1/2031 and those bonds financed land, fire/rescue capital apparatus and roads. |
| 2021B EDA Public Facility Revenue Bonds (Taxable) | 18,300,000 | 13,540,000 | Solid waste facilities, soccer facilities |
| 2022A EDA Public Facility Revenue Bonds | 55,315,000 | 51,300,000 | Renovations to Loudoun County Government Center, various other county facilities and Department of Parks, Recreation and Community Services facilities, public safety and school equipment, school buses, land acquisition for schools, Juvenile Detention Center |
| 2022B EDA Public Facility Revenue Bonds (Taxable) | 18,485,000 | 15,765,000 | Solid waste facilities, soccer facilities located at Philip A. Bolen Park, renovation and equipping of leased office space for use by County departments |
| School Vehicle & Computer Equipment Lease 2022 | 10,000,000 | 10,000,000 | Acquisition of school buses and equipment |
| Total Lease Revenue and Financing Agreements | \$799,970,000 | \$623,889,289 | |
| Total Outstanding Debt | | \$1,712,224,289 | |

*Table does not include planned 2023 bond issues scheduled to close in early June 2023 (estimated at \$210 million of GO Bonds and \$40 million of EDA Bonds).

Section 6
Lack of Need for Leesburg to Expand its Tax Resources

1 Va. Admin. Code § 50-20-540(14)

In the Notice, Leesburg claims a need to expand tax resources due to population growth and the accompanying service demands, which the Town alleges have outpaced its revenue growth and available resources.⁹⁷ As demonstrated by the data provided in this filing, this statement is provably inaccurate. Additionally, the Notice fails to identify any specific services, operational costs, capital costs, or planned long-term debt that validate a need for expanded tax resources; instead offering as justification the Town’s increasing employment costs and adopted Capital Improvements Program, including a particular focus on those projects related to utility upgrades.⁹⁸ There are minimal additional incremental service needs that the Town even theorizes are attributable to the APA: (1) the possibility of maybe having to hire a police officer to “provide an increased public safety presence” at a cost of \$97,000 per year; (2) additional maintenance of right-of-way improvements at an estimated cost of \$50,000 per year; (3) and a vague “general governmental expenditure allocation” of \$103,000, all of which neatly sum to an estimated “possible additional expense” for serving the APA of \$250,000 per year.⁹⁹ The Notice contains no quantitative justification for these estimates. The Town acknowledges that no municipal investment in infrastructure is needed in the APA, but fails to mention that this is due to the County’s provision of this infrastructure through Loudoun’s zoning and subdivision ordinances and development management process.¹⁰⁰

⁹⁷ Notice at 115.

⁹⁸ Notice at 119–20.

⁹⁹ Notice at 144–45.

¹⁰⁰ Notice at 139. *See infra* Sec. 8(II)(B).

Instead of providing the Commission with data related to the Town’s need for expanded tax resources of expansion of its tax base, the Notice focuses on the County’s growth in revenue, specifically focusing on increases in business personal property related to data centers.¹⁰¹ It is well documented that unique characteristics have made Loudoun a beneficial location for the development of large-scale data centers.¹⁰² The County recognized this opportunity and has embraced data centers and high-tech industrial users as a key component of its economic development strategy and long-term planning.¹⁰³ Thirty percent of the world’s physical data center buildings are located in Loudoun, which are responsible in part for over 70% of the world’s internet traffic.¹⁰⁴ Approximately 17 million square feet of data center facilities are completed, under construction, or planned in the County.¹⁰⁵ This conscientious effort has resulted in revenue growth benefitting all of the County’s residents, including those living in Leesburg. By regulation, however, the Commission’s focus must be on the Town’s need for expanded tax resources, not a bare comparison of business personal property tax revenues between the two localities, or a desire for additional revenue.¹⁰⁶ To assist the Commission with its investigation, the County commissioned a report to evaluate Leesburg’s need and seeks to provide the Commission with data and information pertinent to its considerations. Although the full report is included with this filing as Appendix A, some key elements and data are highlighted herein.

Principally, it is important to note what other, independent third-party evaluations have concluded about the extraordinary strength of Leesburg’s tax base and financial position:

¹⁰¹ Notice at 120, 123–27.

¹⁰² See, e.g., *infra* Sec. 11.

¹⁰³ See Loudoun General Plan at 5-2, 5-4; Loudoun County, Board of Supervisors 2020-2023 Strategic Initiatives Update, Strategic Area 5, Initiatives 5.1 to 5.6. (Mar. 21, 2023), <https://www.loudoun.gov/4849/Board-Vision-and-Strategic-Goals>.

¹⁰⁴ Loudoun General Plan at 1-4, 5-7.

¹⁰⁵ Loudoun General Plan at 2-43.

¹⁰⁶ 1 Va. Admin Code 50-20-540(14) (emphasis added); see Va. Code §§ 15.2-2907(B), 15.2-3209(6).

- The Town has the highest rating achievable rating, a triple-A, for General Obligation credit ratings from Moody’s Investors Service (“Moody’s”), Standard & Poor’s (“S&P”), and Fitch Ratings (“Fitch”). Each of those independent credit rating agencies has conducted its own thorough analysis of Leesburg’s audited financials and found quantitative indications of the Town’s current and projected superior financial and economic strength.
 - Moody’s (Aaa Rated). The Town’s metrics achieve the highest rating in 5 out of 7 analyses for FY2022, often exceeding the threshold by significant margins. Over fiscal years 2018-2022 the Town’s weighted indicated score is estimated in a range of 1.7 to 2.3 (lower scores equal stronger credit), demonstrating strong performance across multiple financial categories.¹⁰⁷ In its analysis, Moody’s concludes: “The Town of Leesburg (Aaa stable) has a sizeable, diversified economy and serves an affluent population in northern Virginia. The town serves a largely residential base and benefits from a variety of economic anchors including governmental employment, a robust transportation system, and proximity to the Metropolitan Washington Airport Authority’s (MWAA, Aa3 stable) Dulles International Airport (IAD). As a result of increasing commercial and residential development, the town’s revenue base is growing, which will support its strong financial position.”¹⁰⁸ Due to “the Town’s historically strong financial position, and very strong economic factors,” Leesburg’s rating remains unchanged under Moody’s new methodology.¹⁰⁹

¹⁰⁷ Report of PFM Group Consulting, LLC 21–22, App’x D at 3, 6–13 [hereinafter PFM Report].

¹⁰⁸ PFM Report at 5, App’x D at 3 (quoting Moody’s Investors Service, November 30, 2020).

¹⁰⁹ FY2022 Annual Comprehensive Financial Review (Davenport & Company, LLC) at 50 (Jan. 23, 2023 Leesburg Town Council Meeting, Agenda at 55) (hereinafter “Leesburg FY22 Financial Review”), <https://tinyurl.com/4m8mz5mr>.

- S&P (AAA Rated). The Town’s metrics surpass the AAA threshold in 7 out of 9 categories for FY2022, including significant margins in budgetary flexibility and liquidity measures. Over fiscal years 2018-2022 the Town’s weighted indicated score is estimated in a range of 1.10 to 1.55, which is extremely strong considering the highest achievable score of 1.0.¹¹⁰ Within Leesburg’s overall AAA rating S&P concludes: “We consider Leesburg’s economy very strong ... Leesburg is a wealthy bedroom community that serves the greater Washington, D.C., region’s deep and diverse employment base. The town has also benefited over the past several years from growing employment opportunities within its borders, including in government contracting, medical technology, and small business entrepreneurship supported by the Mason Enterprise Center.”¹¹¹
- Fitch (AAA Rated). As of November 2020, Fitch’s revenue assessment awarded Leesburg a triple-a rating.¹¹² Using data from the Town’s FY2021 and FY2022 Annual Comprehensive Financial Reports, Leesburg shows strong performance according to Fitch’s qualitative and quantitative measures, including economic trends, revenue, expenditures, long term liability.¹¹³ In its most recent analysis, Fitch opined that it “believes long-term revenue growth is likely to be sustained between inflation and GDP primarily given its proximity to Washington D.C. with its strong long-term economic growth prospects, and the town’s population growth and continuing economic development.”¹¹⁴

¹¹⁰ PFM Report at 21–22, App’x D at 3, 15–20.

¹¹¹ Id. at 5 (quoting S&P Global Ratings, November 23, 2020).

¹¹² PFM Report, App’x. D at 24, 29.

¹¹³ PFM Report, App’x D at 22–32.

¹¹⁴ Id. at 5–6 (quoting Fitch Ratings, November 24, 2020).

- The Commonwealth of Virginia’s Auditor of Public Accounts finds Leesburg to be a stable, strong town with long-term viability in its Local Government Fiscal Distress Report. The report employs a ratio analysis calculated using 12 financial ratios and then assigns a points-based evaluation for each ratio result, with lower scores indicating a better financial performance.¹¹⁵ According to the 2021 Ratio Analysis, Leesburg registered 15.0 total points across the ratio calculations. This total is well below the 45-point threshold used as an indicator for performing further review for potential distress and is also significantly below the statewide average of 20.4 points among all towns reported with population of at least 3,500.¹¹⁶

In addition to the opinions of these expert evaluators, there are also data points of particular relevance to the Commission’s investigation that illustrate the Town’s lack of need for additional tax resources:

Leesburg’s real property taxable assessed values and associated revenues are presently strong, with growth trends that significantly outpace population growth. In 2021, Leesburg’s real property taxable assessed value per capita was 33.1 percent higher than the statewide figure.¹¹⁷ From 2010 to 2021, Leesburg’s real property taxable assessed value grew by 67.2 percent (or an

¹¹⁵ Id. at 21 & n.35. The ratios evaluated are: Cash and Cash Equivalents + Investments] Current Liabilities/ Charges for Services + General Revenues (Government-wide Activity); Cash and Cash Equivalents + Investments/ Total (Current and Noncurrent) Liabilities (Government-wide Activity); Net Position Unrestricted/ Total Expenses (Government-wide Activity); Change in Net Position (Ending - Beginning)/ Net Position Beginning (Government-wide Activity); Total Tax Supported Debt/ FMV of Taxable Real Estate + Assessed Value of Tangible Personal Property + Assessed Value of Public Service Corporations (Government-wide Activity); Unassigned + Assigned Fund Balances (+ other Committed reserves where applicable)/ Total Expenses (General Fund Activity); Total Fund Balance/ Total Revenues (General Fund Activity); Total Revenues/ Total Expenses (General Fund Activity); Debt Service Principal and Interest Expenses/ Total Revenues (available to pay the debt service) (General Fund Activity and Debt Service Fund Activity, if applicable); Change in General Fund Unassigned Fund Balance (Current Year Ending - Prior Year Ending/ Prior Year Ending) (General Fund Activity); Intergovernmental Operating Revenues/ Total Revenues (General Fund Activity); and, Proprietary Fund Statements- Enterprise Fund Activity: Change in Net Position - Net Fund Transfers To (From)/ Expenses.

¹¹⁶ Id.

¹¹⁷ PFM Report at 6.

annual average rate of 4.8 percent), higher than all the other towns in the comparison group identified in the Notice.¹¹⁸ Over the same period, statewide real property taxable assessed value only grew by 35.3 percent, almost half of that experienced in the Town.¹¹⁹ The strength of Leesburg’s real property tax base is accurately illustrated in the growth rate of its per capita taxable assessed value, which is higher than that of the County and significantly higher than the statewide growth rate.¹²⁰

Table 25. Comparison of Historical Taxable Assessed Value Per Capita¹²¹

2010¹²² to 2021 Real Property Taxable Assessed Value Per Capita

| | % Change | CAGR |
|--------------------------|-----------------|-------------|
| Leesburg | 47.7% | 3.6% |
| Commonwealth of Virginia | 25.4% | 2.1% |
| Herndon | 16.2% | 1.4% |
| Vienna | 54.5% | 4.0% |
| Purcellville | 39.7% | 3.1% |
| Loudoun County | 35.6% | 2.8% |

This beneficial trend has continued for the Town, with an 11.6 percent increase in real property taxable assessed value from 2021 to 2022, a higher growth rate than any other municipality in the Town’s comparison group.¹²³

Table 26. Comparison of Recent Taxable Assessed Value¹²⁴

2021 to 2022 Real Property Taxable Assessed Values

| | 2021 Taxable Assessed Value | 2022 Taxable Assessed Value | % Change |
|--------------|------------------------------------|------------------------------------|-----------------|
| Leesburg | \$9,469,858,988 | \$10,566,622,280 | 11.6% |
| Herndon | \$4,911,560,646 | \$5,295,202,341 | 7.8% |
| Vienna | \$5,626,187,990 | \$6,140,047,930 | 9.1% |
| Purcellville | \$1,572,340,067 | \$1,700,884,755 | 8.2% |

¹¹⁸ Id. at 6–7. See Notice at 62 & fig.1, 118.

¹¹⁹ PFM Report at 7.

¹²⁰ Id.

¹²¹ Id.

¹²² The PFM Report included “2020” as a clerical error at page 7. Source: Vileen Leung, PFM.

¹²³ PFM Report at 7.

¹²⁴ Id.

Of course, assessed values of real property are an important piece of local taxation and provide critical data points for analyzing the strength and viability of a locality; however, localities, and the Commission, must ultimately be concerned with revenue. Fortunately for the Town, its increases in revenue exceed the growth in both its population and expenditures. Leesburg's local revenues grew by 56.0 percent from FY2010 to FY2022, representing an annual average growth rate of 3.8 percent, with total revenues (inclusive of intergovernmental aid) increasing by 3.7 percent per year over that same period.¹²⁵ The Notice represented a much lower increase in local revenues to the Commission – no doubt unintentionally – due to a failure to adjust for certain recategorizations that began in 2015 and 2017.¹²⁶ Over approximately the same ten year period, the Town's population grew by 13.2 percent, or a compound annual growth rate (CAGR) of 1.2 percent.¹²⁷ By comparison, population in the rest of the County increased at a rate almost three times that of Leesburg.¹²⁸ Adjusting for this population growth, the Town's per capita local revenues grew by 37.8 percent (or 2.7 percent on an annual average basis) from FY2010 to FY2022, representing healthy per capita revenue growth that is comfortably in excess of population growth rates, commensurate with the County's per capita revenue growth, and comparatively strong, even among the extraordinarily well-off comparison group.¹²⁹

Between FY2010 and FY2022, the Town's general government expenditures have increased from just under \$43.0 million to almost \$53.7 million, a 25.0 percent increase (or a 1.9 percent CAGR), which on a per capita basis, equates to an increase of 10.4 percent (or a 0.8 percent

¹²⁵ Id. at 7–8.

¹²⁶ Notice at 69 t.5, 116, 120 & fig.4. *See* PFM Report at 8–9.

¹²⁷ PFM Report at 9.

¹²⁸ Id.

¹²⁹ Id. at 9–10.

CAGR).¹³⁰ The per capita revenue and expenditure comparison for Leesburg is identified in the table below.

Table 27. Leesburg per capita Revenues & Expenditures¹³¹

| | FY2010 | FY2022 | % Change | CAGR |
|---------------------------|---------------|---------------|-----------------|-------------|
| Per capita total revenues | \$984 | \$1,348 | 36.9% | 2.7% |
| Per capita local revenues | \$805 | \$1,109 | 37.8% | 2.7% |
| Per capita expenditures | \$1,008 | \$1,113 | 10.4% | 0.8% |

The moderate increase in general government expenditures is consistent with the demands of Leesburg residents. For the past ten years, operating indicators in the Town’s ACFRs show a decrease in the demand for key municipal services.¹³² Consistent with service demand and the Town’s needs, growth in Leesburg’s capital assets has also increased at a rate lower than the Town’s revenue growth.¹³³ This trend of higher actual revenue and lower actual expenditures was also noted by the Town’s financial advisor in its FY2022 comparison.¹³⁴

Consistently growing revenues coupled with reduced service demands and moderate increases in both operating and capital expenditures have resulted in significant enlargement of the Town’s reserves. The Town’s reserve levels are presently well above local government medians and the Town’s own policy goals. The Government Finance Officers Association (GFOA) recommends maintaining an unrestricted budgetary fund balance of 16.7 percent (equivalent to two months) of general fund revenues or regular general fund operating expenditures.¹³⁵ The

¹³⁰ *Id.* at 13.

¹³¹ *Id.* at 14.

¹³² *Id.* at 15. See generally Leesburg Annual Comprehensive Financial Reports, <https://www.leesburgva.gov/government/browse-documents/-/folder-796>.

¹³³ PFM Report at 15–16.

¹³⁴ Leesburg FY22 Financial Review at 46.

¹³⁵ Government Finance Officers Association, *Fund Balance Guidelines for the General Fund* (approved September 30, 2015), <https://www.gfoa.org/materials/fund-balance-guidelines-for-the-general-fund#anchor5>. See PFM Report at 17.

Town’s financial policy is to maintain an unassigned Fund Balance equivalent to 20 percent of General Fund expenditures, a fiscal goal that it has achieved each of the past ten years with generally increasing percentages.¹³⁶ In FY2022 the Town’s unassigned fund balance was 37.1 percent of general fund expenditures, nearly two times the amount called for in its own policy. Although the unassigned fund balance demonstrates the Town’s solvency, a more complete picture of the Town’s exceptional financial health is illustrated by the growth of its total unrestricted fund balance, not just those unrestricted funds that are also unassigned. As shown in the table below, from FY2010 to FY2022 the Town’s total unrestricted fund balance grew from 22.9 percent of general fund expenditures to 70.0 percent.¹³⁷ These ratios far exceed the threshold necessary for the highest triple-A credit rating, which, for example, is 15% for S&P.¹³⁸

Table 28. Leesburg’s Fund Balance as a % of General Fund Expenditures¹³⁹

| Fiscal Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Fund Balance as a % of General Fund Expenditures | 46.5% | 48.5% | 34.3% | 37.4% | 43.0% | 46.0% | 49.5% | 51.6% | 52.8% | 45.7% | 46.2% | 67.3% | 77.3% |
| Unrestricted Fund Balance as a % of General Fund Expenditures | 22.9% | 25.6% | 32.4% | 35.4% | 40.6% | 43.7% | 47.1% | 48.5% | 51.0% | 43.8% | 44.7% | 60.0% | 70.0% |
| Unassigned Fund Balance as a % of General Fund Expenditures | 18.5% | 19.7% | 18.8% | 20.7% | 22.6% | 20.8% | 22.2% | 22.6% | 25.9% | 20.0% | 25.7% | 39.8% | 37.1% |

The interplay between the assigned and unassigned funds is demonstrated in adjustments made by the Town between its FY2021 and FY2022 budgets. In the FY2022 budget, Town Council designated more than \$7 million of new “assigned” fund balance reserves, including a reserve for revenue stabilization and resiliency for recessionary shortfalls, a reserve for capital projects cost overruns, and nearly \$3 million for FY2022 supplemental appropriations for one-time

¹³⁶ PFM Report at 17.

¹³⁷ Id.

¹³⁸ Id. at 18.

¹³⁹ Id. at 17.

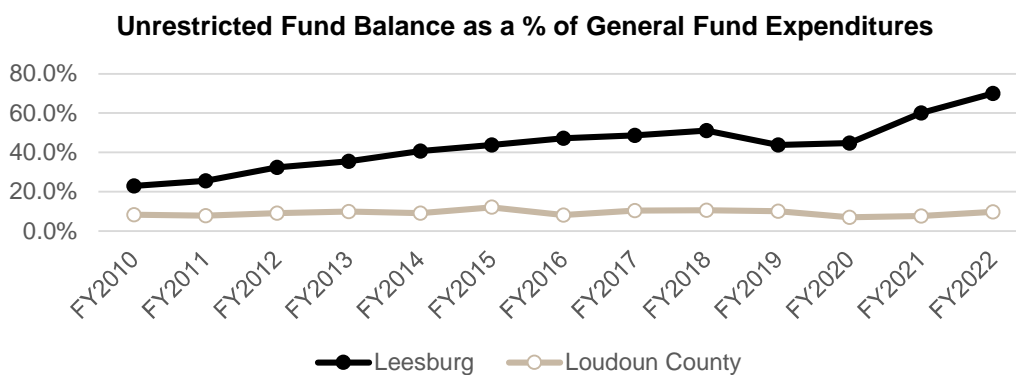
expenditures.¹⁴⁰ These assigned categories remain unrestricted and available for the Town’s future use. A breakdown of the Town’s FY2021 and FY2022 unrestricted fund balances is shown in the table below:¹⁴¹

Table 29. Breakdown of Leesburg’s FY21 & FY22 Fund Balance¹⁴²

| | FY2021 | FY2022 |
|--|---------------------|---------------------|
| Debt service reserve | \$9,753,620 | \$9,753,620 |
| Other reserves | \$35,190 | \$7,494,010 |
| Expenditures designated for future use | \$2,008,173 | \$2,517,818 |
| Assigned Fund Balance | \$11,796,983 | \$19,765,448 |
| Unassigned Fund Balance | \$23,299,386 | \$22,336,003 |
| Total Unrestricted Fund Balance | \$35,096,369 | \$42,101,451 |

Due to differences in scale between localities, comparing fund balances in absolute numbers does not provide an accurate assessment of relative financial performance and stability. Instead, total fund balance ratios provide the Commission with the most reliable data related to the Town’s current fiscal strength. From FY2010 to present, the Town’s unrestricted fund balance has grown at a staggering rate as a percentage of general fund expenditures, while the County’s has remained stable.¹⁴³

Figure 6. Comparison of Unrestricted Fund Balances¹⁴⁴



¹⁴⁰ See *id.*

¹⁴¹ *Id.* at 18; see Leesburg FY22 Financial Review at 48.

¹⁴² PFM Report at 17.

¹⁴³ *Id.* at 18.

¹⁴⁴ *Id.* at 18.

This trend has resulted in disproportionate current fund ratios when the County and Town are compared. In FY2022, Leesburg’s fund balance as a percentage of expenditures was significantly higher than Loudoun County’s on both a total (77.3 percent versus 27.3 percent) and unrestricted (70.0 percent versus 9.7 percent) basis.¹⁴⁵

Table 30. Comparison of FY2022 Fund Balances¹⁴⁶

| FY2022 Fund Balance as a Percentage of General Fund Expenditures | | |
|---|-----------------|-----------------------|
| | Leesburg | Loudoun County |
| Total Fund Balance as a % of GF Expenditures | 77.3% | 27.3% ¹⁴⁷ |
| Unrestricted Fund Balance as a % of GF Expenditures ¹⁴⁸ | 70.0% | 9.7% |

At the conclusion of Fiscal Year 2022, Leesburg’s fund balance position was even better than budgeted, with the Town adding over \$7.1 million to its fund balances.¹⁴⁹ The Town ended Fiscal Year 2022 with higher-than-expected revenues, lower-than-expected expenditures, a fund balance of over \$46.4 million.¹⁵⁰

Even if Leesburg had a need for additional tax resources, which the data demonstrate that it does not, there is not a need for the Town to realize that additional revenue by expansion of its tax base through annexation of the APA. The Town has substantial revenue capacity built into its existing tax rates, as well as unutilized debt capacity. The Town’s tax rates are comparatively low, both on a statewide and regional basis. Leesburg’s 2022 real property tax rate of 0.1774 was 11.8 percent below the statewide average of 0.2012 among towns that levy a real property tax, and both

¹⁴⁵ Id. at 18–19.

¹⁴⁶ Id. at 18.

¹⁴⁷ According to the Loudoun 2022 Financial Report, page 101, of the \$305.3 million in committed reserves, \$256.0 million was committed to fiscal reserve, and \$24.6 million was committed to volunteer fire and rescue LOSAP pension benefits.

¹⁴⁸ This figure includes assigned and unassigned fund balance.

¹⁴⁹ Leesburg FY22 Financial Review at 46–47 (Agenda at 51-52).

¹⁵⁰ Id. at 46-48 (Agenda at 51-53).

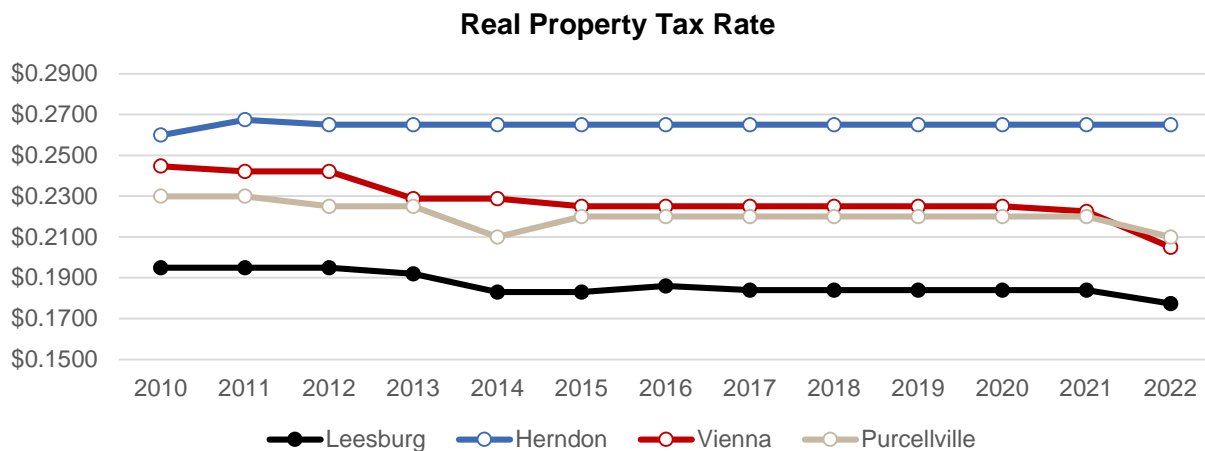
its nominal and effective real property tax rate were the lowest among the Leesburg comparison group.¹⁵¹

Table 31. Comparison of Area Tax Rates¹⁵²

| | 2022 Nominal Real Property Tax Rate (per \$100 in Taxable Assessed Value) | 2022 Effective Real Property Tax Rate ¹⁵³ (per \$100 in Taxable Assessed Value) | 2022 Meals and Beverage Tax Rate |
|---------------------------------------|---|--|----------------------------------|
| Leesburg | \$0.1774 | \$0.1502 | 3.5% |
| 2021 VA Town Average (excl. Leesburg) | \$0.2012 | \$0.1602 | N/A |
| Herndon | \$0.2650 | \$0.2286 | 3.75% |
| Vienna | \$0.2050 | \$0.1768 | 3.0% |
| Purcellville | \$0.2100 | \$0.1778 | 5.0% |

Since 2010, Leesburg has reduced its real property tax rate by 9.0 percent. These reductions and the rate comparisons are illustrated in the graph below.

Figure 7. Comparison of Historical Area Tax Rates¹⁵⁴



If new revenues were required, adoption of a property tax rate at the average level currently levied by Herndon, Vienna, and Purcellville – the towns identified by Leesburg as benchmarks in its Notice – could generate an additional \$4.9 million in annual revenues based on the 2022 real

¹⁵¹ PFM Report at 10 & n.11.

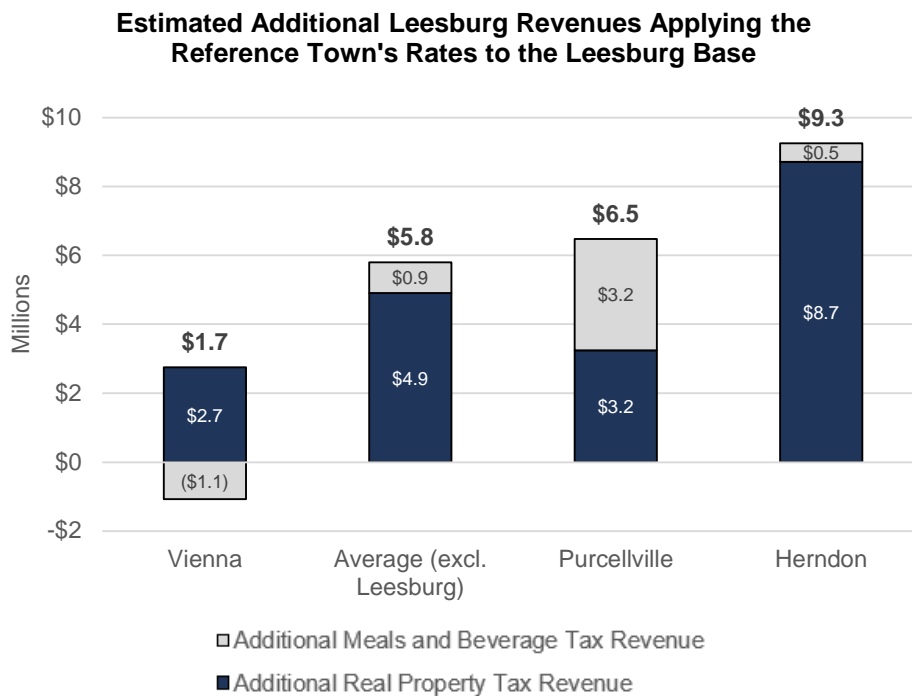
¹⁵² *Id.* at 10.

¹⁵³ Based on 2021 median ratios in Loudoun and Fairfax Counties according to the Virginia Department of Taxation Assessment/Sales Ratio Study for Tax Year 2021, published on March 2, 2023.

¹⁵⁴ PFM Report at 11.

property tax base.¹⁵⁵ The Town’s financial advisor also identified potential sources of revenue should the Town desire more resources while remaining in a highly competitive rate position.¹⁵⁶ Minor adjustments to the meals tax rate and real estate tax rate, as identified by the Town’s financial advisors, would result in estimated additional annual revenue of slightly more than \$2 million.¹⁵⁷ Using a revenue capacity concept, the figure below illustrates the additional revenue that Leesburg could realize by its own political will if there was an actual need for tax resources.¹⁵⁸ Additional subjects of taxation through annexation is simply not needed.

Figure 8. Estimated Additional Town Revenue with Tax Effort¹⁵⁹



¹⁵⁵ *Id.* at 12 & n.17.

¹⁵⁶ Leesburg FY22 Financial Review at 53–56 (Agenda at 56–61).

¹⁵⁷ Leesburg FY22 Financial Review at 53 (Agenda at 58).

¹⁵⁸ PFM Report at 12–13.

¹⁵⁹ *Id.* at 13.

The data make clear that Leesburg’s own tax efforts lag its peers. This is also reflected in the actual taxes paid by the Town’s residents and their average per capita tax burden. Leesburg has the lowest average tax bill in the comparison group, 27.1 percent below the median.¹⁶⁰

Table 32. Comparison of Average 2022 Residential Tax Bill¹⁶¹

| | Average Assessment | Nominal Tax Rate (per \$100 in Taxable Assessed Value) | Effective Tax Rate (per \$100 in Taxable Assessed Value) ¹⁶² | Average Tax Bill |
|--------------------------------|--------------------|--|---|------------------|
| Leesburg | \$521,089 | \$0.1774 | \$0.1502 | \$924 |
| Herndon | \$478,158 | \$0.2650 | \$0.2286 | \$1,267 |
| Vienna | \$909,682 | \$0.2050 | \$0.1768 | \$1,865 |
| Purcellville ¹⁶³ | \$507,939 | \$0.2100 | \$0.1778 | \$1,067 |
| Median (excl. Leesburg) | \$507,939 | \$0.2100 | \$0.1778 | \$1,267 |

Comparing Leesburg and the unincorporated areas of Loudoun County, Leesburg’s average residential real property tax per capita – including the County tax rate – was \$1,837, 4.2 percent lower than the average residential real property tax per capita in the unincorporated areas of Loudoun County, which is \$1,918.¹⁶⁴ The only towns in Loudoun County with lower residential real property tax per capita are Hillsboro, which did not levy a real property tax, and Lovettsville.¹⁶⁵ If a need for expanded tax resources ever develops in the future, the Town has tools at its disposal to increase its revenue in a reasonable and measured way that will not disproportionately burden the residents of Leesburg.

Leesburg also has significant capacity to finance any potential future needs with long-term debt obligations. The Town’s per capita net debt was \$2,706 in FY2022, lower than the average

¹⁶⁰ Id. at 11.

¹⁶¹ Id.

¹⁶² Based on 2021 median ratios in Loudoun County (84.67%) and Fairfax County (86.26%) according to the Virginia Department of Taxation Assessment/Sales Ratio Study for Tax Year 2021. Id. at 11 n.14.

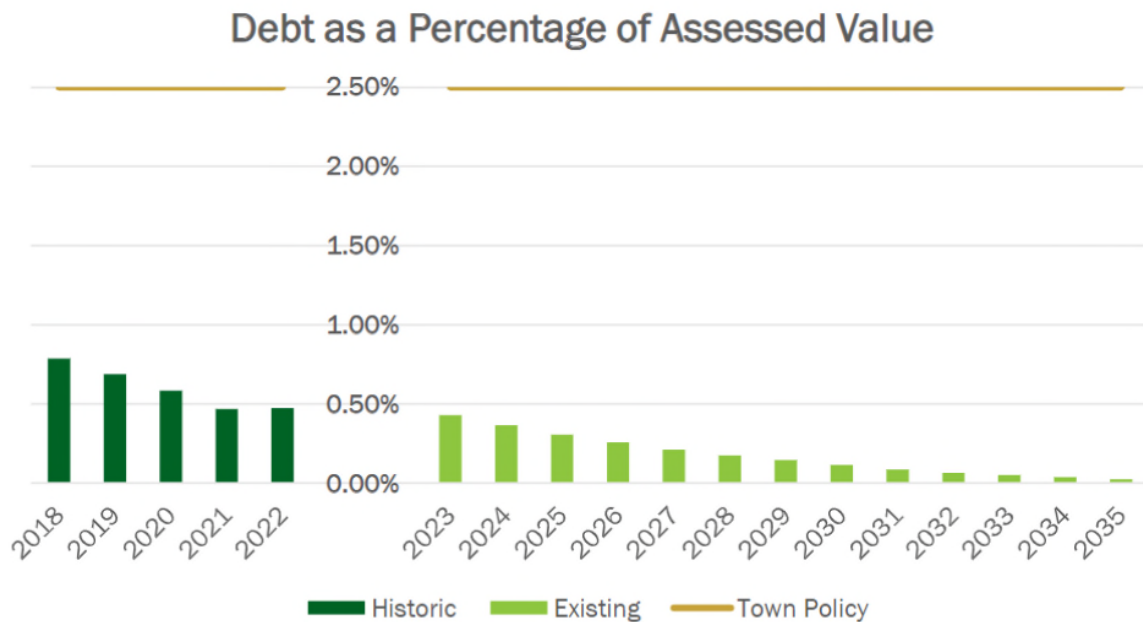
¹⁶³ Purcellville’s Fireman’s Field Service tax is \$0.03 per \$100 in taxable assessed value. Including that tax would bring the average tax bill to \$1,219. Id. at 11 n.15.

¹⁶⁴ Id. at 12 & n.16.

¹⁶⁵ Id. at 12.

among all Virginia towns and significantly lower than the median in the Town’s selected comparison group (\$4,992).¹⁶⁶ The County’s per capita net debt (\$8,183) is more than three times the Town’s, which is largely due to the County having more capital-intensive obligations such as the school system that benefits all County residents, including those living in Leesburg.¹⁶⁷ The Town’s debt service has historically been well below its own policy goal to remain under 2.5 percent of assessed value and 15 percent of expenditures.¹⁶⁸ For FY2022, the Town reported this percentage at just 1.11 percent, providing ample capacity for future investments.¹⁶⁹ These goals are still projected to be achieved accounting for the Town’s two major capital projects: an expansion of the police station estimated to cost \$26 million, and a town shop estimated to cost \$15 million.¹⁷⁰

Figure 9. Town of Leesburg Debt as a Percentage of Assessed Value¹⁷¹



¹⁶⁶ Id. at 19.

¹⁶⁷ Id. at 19 & n.27.

¹⁶⁸ Leesburg FY22 Financial Review at 18–19 (Agenda 23–24).

¹⁶⁹ PFM Report at 24.

¹⁷⁰ Leesburg FY22 Financial Review at 23–37 (Agenda 28–42).

¹⁷¹ Id. at 18 (Agenda 23).

The Town's revenue growth is comfortably outpacing its expenditures and increasing the Town's already full coffers, even with comparatively reduced rates of taxation. Incredibly, on average, even when taking into account both county and town real property taxes, per capita residential real property tax burden for residents of Leesburg is less than that of residents of the unincorporated county. This runs contrary to customary thinking, where municipal residents bear a larger tax burden in exchange for increased service provision. This confounding data point would not be possible without the County's efforts to provide its residents, including those living in Leesburg, with robust governmental services.¹⁷² It is clear from the service, expenditure, and debt metrics that the County has undertaken the lion's share of the responsibility to ensure that its residents have access to the necessary capital infrastructure as well as exceptional services.

Coincident with the Town, there is no indication that the residents of Leesburg themselves are resource disadvantaged, either in absolute or comparative terms. The median household income within the Town (\$116,350) is significantly higher than the statewide median (\$80,615), and more than twice that of a household in the average town in the Commonwealth (\$53,795).¹⁷³ The Town and its residents' advantageous economic standing is also reflected in Leesburg's comparatively low poverty rate: 3.6 percent for the Town, which is almost three times lower than the statewide figure, and more than four and a half times lower than the rate of poverty experienced in an average town.¹⁷⁴

¹⁷² See generally *infra* Sec. 8.

¹⁷³ PFM Report at 4–5.

¹⁷⁴ Id.

Table 33. Demographic Profiles¹⁷⁵

Demographic Profile¹⁷⁶

| | Population | Median Household Income | Poverty Rate | Median Home Value | Median Home Sale Price |
|----------------------------------|------------------------------|--------------------------------|------------------------------|------------------------------|-------------------------------|
| Data Source/Date | Census as of 4/1/2020 | 2017-21 Five-Year ACS | 2017-21 Five-Year ACS | 2017-21 Five-Year ACS | February 2023 |
| Leesburg | 48,250 | \$116,350 | 3.6% | \$490,500 | \$672,789 |
| VA Town Average (excl. Leesburg) | 2,538 | \$53,795 | 17.1% | \$183,060 | N/A |
| Commonwealth of Virginia | 8,631,393 | \$80,615 | 9.9% | \$295,500 | \$370,000 |

Unsurprisingly given Leesburg’s budgetary trends and commercial importance to Loudoun County, forecasts for the Town’s financial status and economy are sunny. The Town Manager’s proposed FY2024 budget projected 12.4 percent rebound in local tax revenues from the FY2023 Adopted Budget to the FY2024 Proposed Budget.¹⁷⁷ Thereafter, the Town forecasts continued 4.0% annual growth in local taxes through FY2028, all with no change in tax rates after the reduction to 0.1774 effective in FY2023.¹⁷⁸ Overall, the five-year General Fund Pro Forma included in the Town’s FY2024 Proposed Budget projects additions to Fund Balance in each year from FY2025 through FY2028.¹⁷⁹ During the above period of projected continued growth in Fund Balance, the Town assumes no change in tax rates following the 2022 tax rate reduction and an addition of 17.5 full-time equivalent positions (11.1 percent increase) across all funds. This is backed up by the analysis and conclusions of the independent credit rating agencies.¹⁸⁰

¹⁷⁵ *Id.* at 5.

¹⁷⁶ *Id.* at 5 (citations omitted).

¹⁷⁷ *Id.* at 23; Town of Leesburg FY2024 Proposed Budget at 43.

¹⁷⁸ *See supra* n. 177.

¹⁷⁹ PFM Report at 24; Town of Leesburg FY2024 Proposed Budget at 43.

¹⁸⁰ *See*, Moody’s Investors Service, *Leesburg (Town of) VA: Update to credit analysis* (Nov. 30, 2020), <https://tinyurl.com/np5rvdkx>; FitchRatings, *Fitch Assigns ‘AAA’ Rating to Leesburg, Virginia’s GO Bonds; Outlook Stable* (Nov. 24, 2020), <https://tinyurl.com/py7u2tdh>; S&P Global Ratings, *Leesburg, Virginia: General Obligation* (Nov. 23, 2020), <https://tinyurl.com/ymbjkzz3>; *see generally*, *Town of Leesburg, Credit Rating Reports*, <https://www.leesburgva.gov/departments/finance/accounting/credit-rating-reports>.

Adjustment of jurisdictional boundary lines by means of annexation is a matter of grave import and should not be endorsed as an alternative method to increase desired, but provably unneeded, revenue. By regulation, the Town must prove a demonstrable need for expanded tax resources or tax base, which it has not done, and cannot do. If there is a need, which is not indicated by the data, annexation should only be endorsed by the Commission if other avenues of ensuring municipal solvency and long-term viability are not available. Leesburg has the tools through its strong fiscal position, unrealized revenue capacity, fund balances, and additional debt capacity to manage any reasonable expenditure comfortably and responsibly, whether it be on an operating or capital basis. In this application, the proposed annexation of the APA is completely unnecessary. There is simply no “need for the municipality to expand its tax resources, including its real estate and personal property tax base”¹⁸¹ to reasonably serve the needs of the Town and its residents, or to ensure the Town’s viability as an independent unit of government. The law permitting annexation does not allow for the expansion of municipal boundaries to increase revenues unless there is a proven “need.” The data demonstrate none here.

¹⁸¹ 1 Va. Admin. Code 50-20-540(14).

Section 7
Lack of Need for Leesburg to Obtain Land for Industrial and Commercial Development

1 Va. Admin. Code § 50-20-540(15).

In the Notice, Leesburg claims a need to obtain land for industrial and commercial development due to the Town having “little vacant land” available that is suitable and developable.¹⁸² The Commission’s analysis must focus on the Town’s need (not desire) for additional commercial and industrial land.¹⁸³ The Town has the burden to establish that it does not have property available within its current municipal boundaries to accommodate its needs for development in the reasonably near future. The Notice failed to provide the Commission with (1) an accurate and realistic representation of the land within the Town that is available for development, (2) an appropriate analysis of the available vacant land in Leesburg, which is proportionally expansive in relation to the Town’s needs and the availability of vacant land in the region, or (3) the market performance of land in the Town relative to the County and other localities similar to the Town. In order to provide the Commission with data and information relevant to its consideration, the County commissioned a report by RKG Associates, Inc. analyzing this regulatory factor. Certain elements are included in the narrative below; however, the full RKG report and analysis is included with this filing as Appendix B.

The RKG report analyzes data for the Town of Leesburg, unincorporated Loudoun County, other incorporated municipalities within the County, as well as comparable regional localities. The Commission will find that the “need” claimed by the Town does not exist. It also bears identifying at the outset that annexation of the APA will not alleviate the lack of alleged “vacant” land claimed by the Town because nearly the entirety of the APA is approved for or undergoing development

¹⁸² Notice at 145, 158.

¹⁸³ 1 Va. Admin. Code 50-20-540(15); *see* Va. Code §§ 15.2-3907(B), 15.2-3209(7).

as planned and approved by the County. Essentially none of the acreage within the APA would be “vacant” by the Town’s own definition; therefore, the Town’s desired annexation would have little or no impact on the Town’s available supply of “vacant” land.¹⁸⁴ This logical inconsistency should confirm for the Commission the true motivation behind the Town’s intended annexation of the APA – a desire for unneeded additional revenue.¹⁸⁵

The overall building development profile of unincorporated Loudoun County and the Town of Leesburg are remarkably similar. Accounting for necessary differences in scale, there is parity in the ratios of current residential and non-residential building square footage in the unincorporated and incorporated areas of the County.¹⁸⁶ In the existing built scenario, all three Loudoun-related study areas – Leesburg, incorporated municipalities, and unincorporated areas – are, by proportion, nearly identical, having between 76.7% and 78% of total building square footage being residential and between 22% and 23.3% of total square footage being non-residential.¹⁸⁷ Examining development throughout the County, there are consistent percentages of residential and non-residential buildings being constructed in Leesburg and Loudoun County.

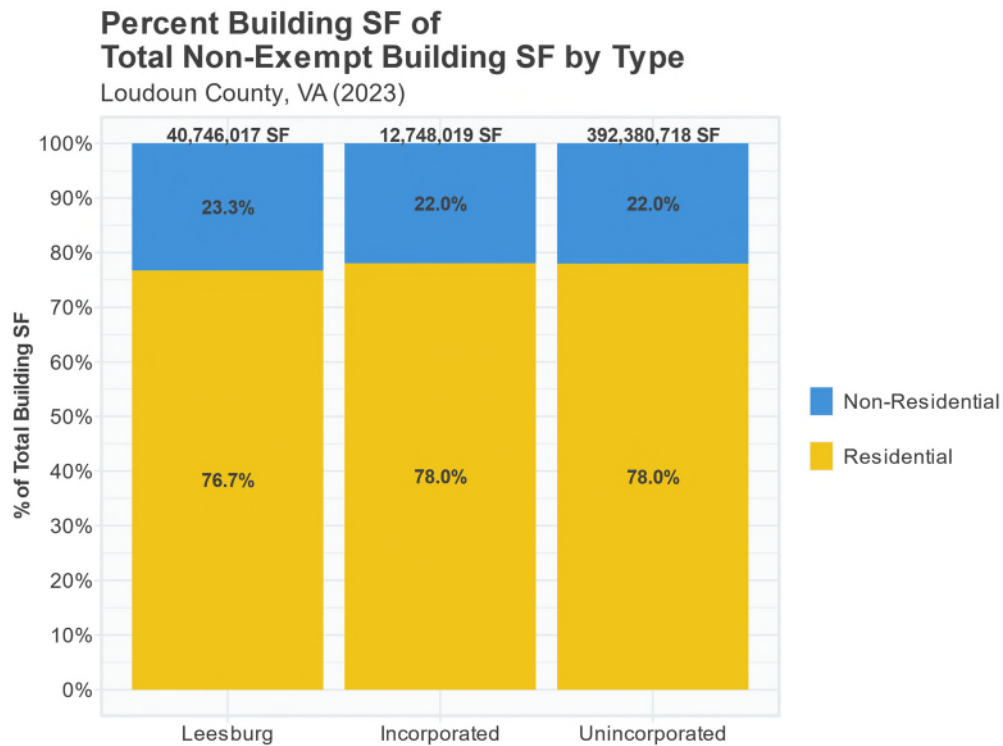
¹⁸⁴ RKG Associates, Inc., Technical Memorandum 3, 16–18 & figs. 14–17, 21–23 & figs. 22–25 (June 12, 2023) [hereinafter⁵⁰⁸].

¹⁸⁵ See *supra* Sec. 6, discussing the Town’s lack of need for additional tax resources.

¹⁸⁶ RKG Report at 4, 5 & fig. 3.

¹⁸⁷ Id.

Figure 10. Comparison of Taxable Building Square Footage in the County¹⁸⁸



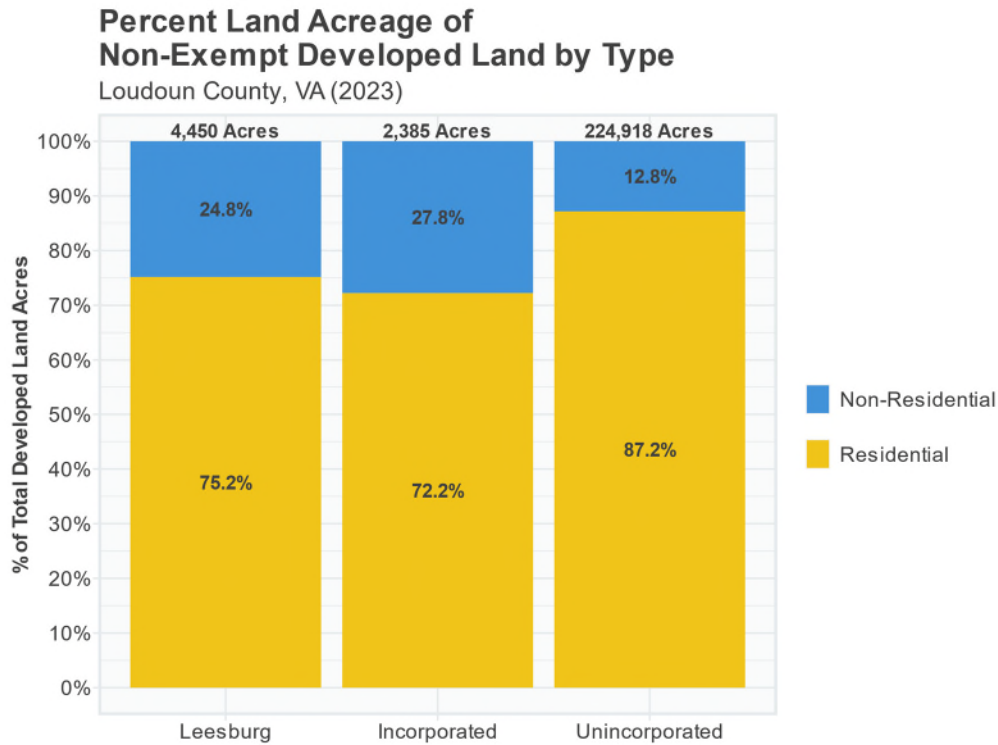
Consistent with the overall patterns of development in the County, a greater percentage of the County’s unincorporated land area is subject to residential development, resulting in proportionally more non-residential developed land in Leesburg and other incorporated areas.¹⁸⁹ Larger percentages of non-residential development in incorporated areas of the County, including Leesburg, allow for commercial and employment centers to be located in closer proximity to traditionally higher density residential uses within towns. The higher ratio for non-residential developed acreage within Leesburg and other incorporated areas also helps to reduce the real property tax burden on town residents. There is no detrimental development pattern within Leesburg compared to the unincorporated County; in fact, the Town benefits from proportionally greater non-residential development, as would be desired in an incorporated municipal area.¹⁹⁰

¹⁸⁸ *Id.* at fig. 3.

¹⁸⁹ *See id.* at 4–5 & fig. 2.

¹⁹⁰ *See id.*

Figure 11. Comparison of Taxable Developed Acreage in the County by Type¹⁹¹



There is a significant discrepancy between the available commercial and industrial acreage identified in the Notice, and that which exists in the Town as identified in RKG’s report. In the Notice, after excluding substantial acreage that is in “various stages of development,” the Town proposes to the Commission that there are approximately 100 acres of commercial or industrial land in Leesburg that are “vacant” and available for development.¹⁹² Certain parcels that the Notice excluded from its classification as “vacant” have received zoning approvals but remain undeveloped many years later without any existing development plans.¹⁹³ By contrast, when taking into account environmental constraints and the current status of development, RKG concludes that

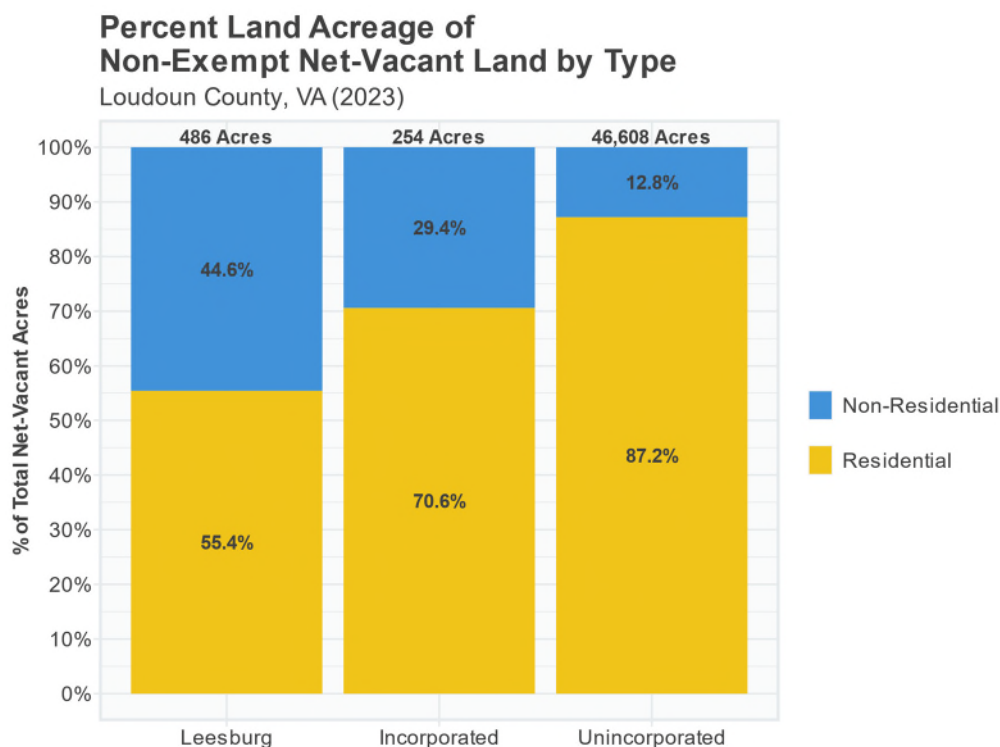
¹⁹¹ *Id.* at fig. 2.

¹⁹² Notice at 145–49.

¹⁹³ See RKG Associates, Inc., *Annexation Analysis* 34 (May 16, 2023) [hereinafter “RKG Analysis”]. The RKG Analysis is included as Appendix B.2.

the Town has approximately 220 acres of net developable non-residential vacant land.¹⁹⁴ Leesburg, by far, has the highest proportion of net non-residential vacant land when compared to the unincorporated County and other incorporated areas of the County.¹⁹⁵

Figure 12. Comparison of Vacant Acreage in the County by Type¹⁹⁶



Unsurprisingly, within the vacant and developable non-residential acreage, Leesburg and other incorporated areas of the County have higher proportions of commercial areas, whereas the County has larger percentages of industrial uses.¹⁹⁷ This is not a result of inequitable land distribution among the localities, it is due to good land use planning and market demands, which reflect the reality that industrial users consume large plots of land and are better located in areas of the County not proximate to higher density residential uses.¹⁹⁸ Despite these general trends, and

¹⁹⁴ RKG Report at 14–15 & fig. 13.

¹⁹⁵ *Id.* at 5–6 & fig. 4.

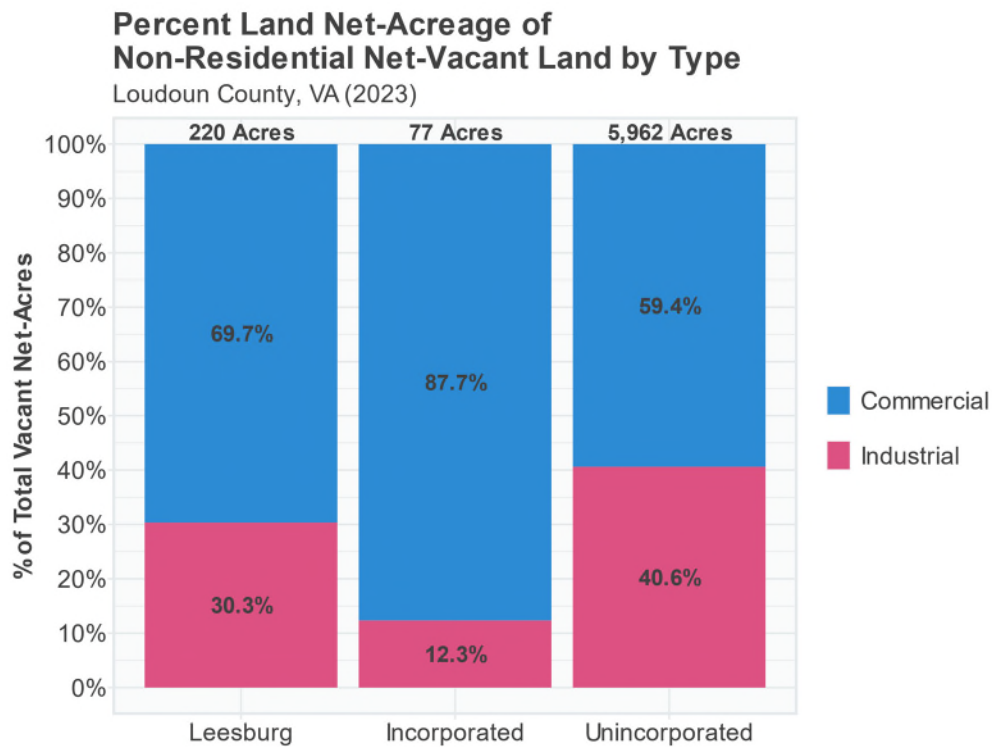
¹⁹⁶ *Id.* at fig. 4.

¹⁹⁷ *Id.* at 14–15 & figs. 12, 13.

¹⁹⁸ *See id.* at 8–11, 14.

in contrast to other incorporated areas of the County, Leesburg has a disproportionately large percentage of net-vacant industrial land within its currently available non-residential acreage: approximately 30%, which represents more than twice the ratio existing in other incorporated areas of the County.¹⁹⁹ Leesburg has more-than-adequate vacant acreage for commercial and industrial development on both absolute and relative scales.

Figure 13. Comparison of Non-Residential Vacant Land in the County by Type²⁰⁰



Commercial and industrial property in the County and the Town serve widely varying needs for the greater community. Within the developed commercial areas, Leesburg has proportionally more acreage consisting of retail and mixed-use development, while the County hosts more acreage utilized by office and service uses (including golf courses).²⁰¹ Because the data may present different pictures depending on an evaluation of acreage or building square footage,

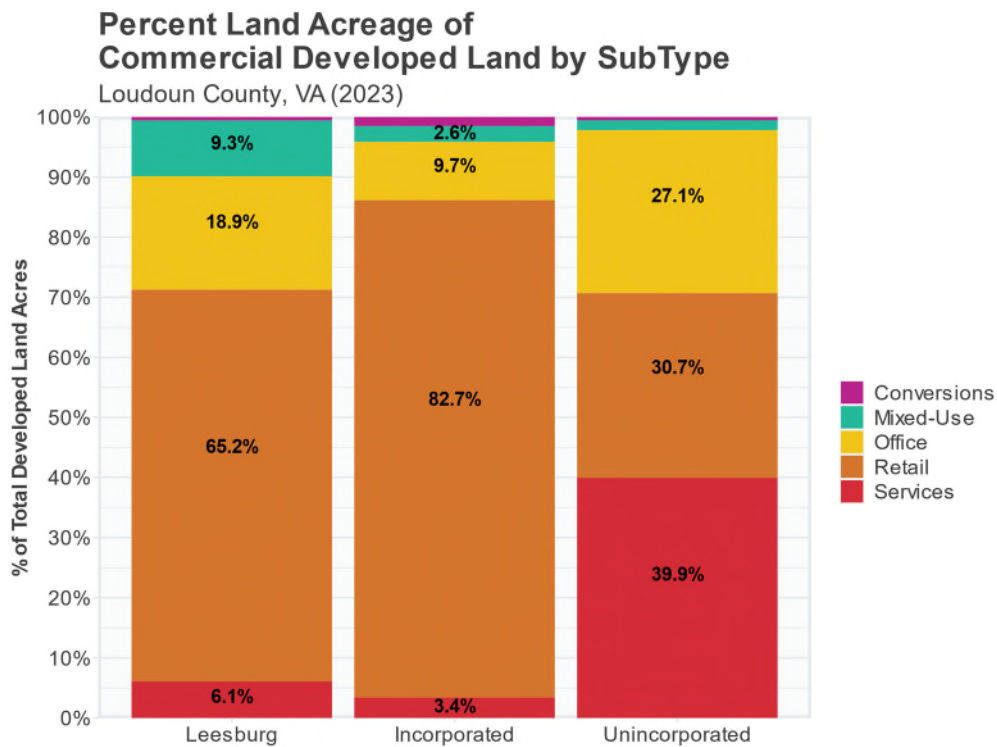
¹⁹⁹ *Id.* at 15 & fig. 13.

²⁰⁰ *Id.* at fig. 13.

²⁰¹ RKG Analysis at 25, 26.

figures for both data sets are provided herein. For example, although commercial services make up nearly 40% of the developed commercial acreage in the unincorporated portions of the County, such development only accounts for 4.4% of the existing commercial building square footage. The Figures below illustrate the ratios of acreage and square footage dedicated to these commercial subtypes within the three relevant land areas.²⁰²

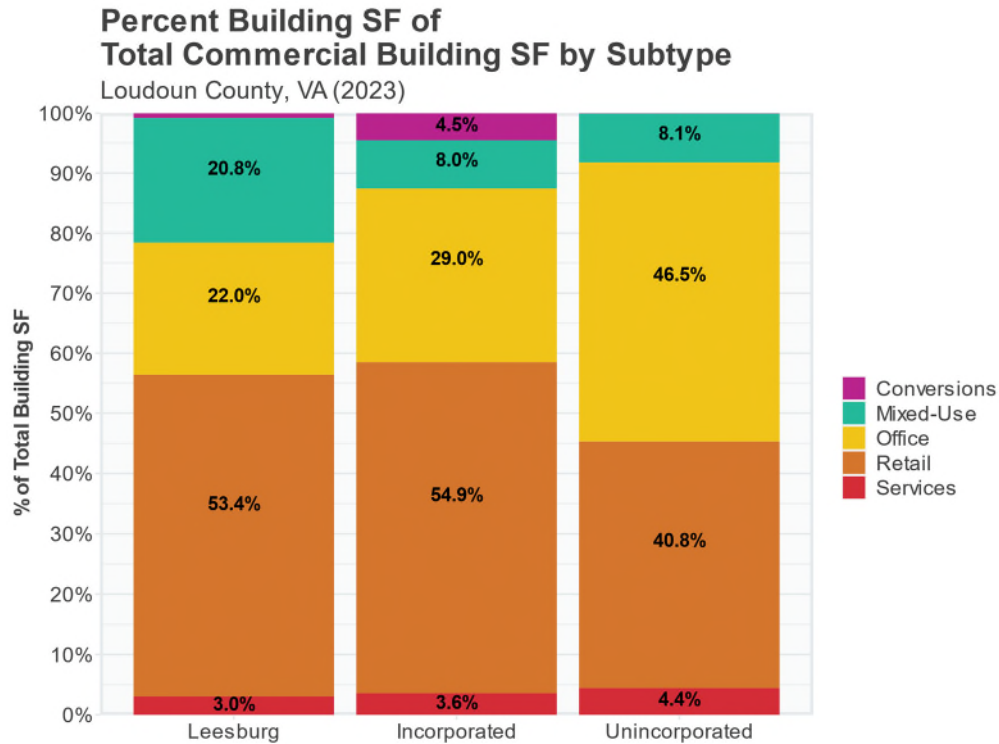
Figure 14. Comparison of Commercial Development in the County by Subtype Acreage²⁰³



²⁰² *Id.*; see RKG Report at 10 & fig. 8.

²⁰³ RKG Analysis at 25.

Figure 15. Comparison of Commercial Development in the County by Subtype of Building Square Footage²⁰⁴



As is natural, similar distinctions exist within the types of industrial development experienced in the three study areas: Leesburg, incorporated Loudoun generally, and the unincorporated areas of the County. It is well established that Loudoun, known as “data center alley,” has attracted a large number of industrial-scale data centers. Data centers occupy 40% of the developed industrial acreage in the County, and over half of the industrial building square footage.²⁰⁵ Industrial development in the incorporated areas of the County, including Leesburg, is much more likely to be characterized as light industrial or warehouse/distribution.²⁰⁶ These varying development profiles are consistent with more intensive industrial uses, with their lower land use efficiencies, being located on larger parcels away from higher density residential areas.²⁰⁷ For

²⁰⁴ RKG Report at fig. 8; RKG Analysis at 26.

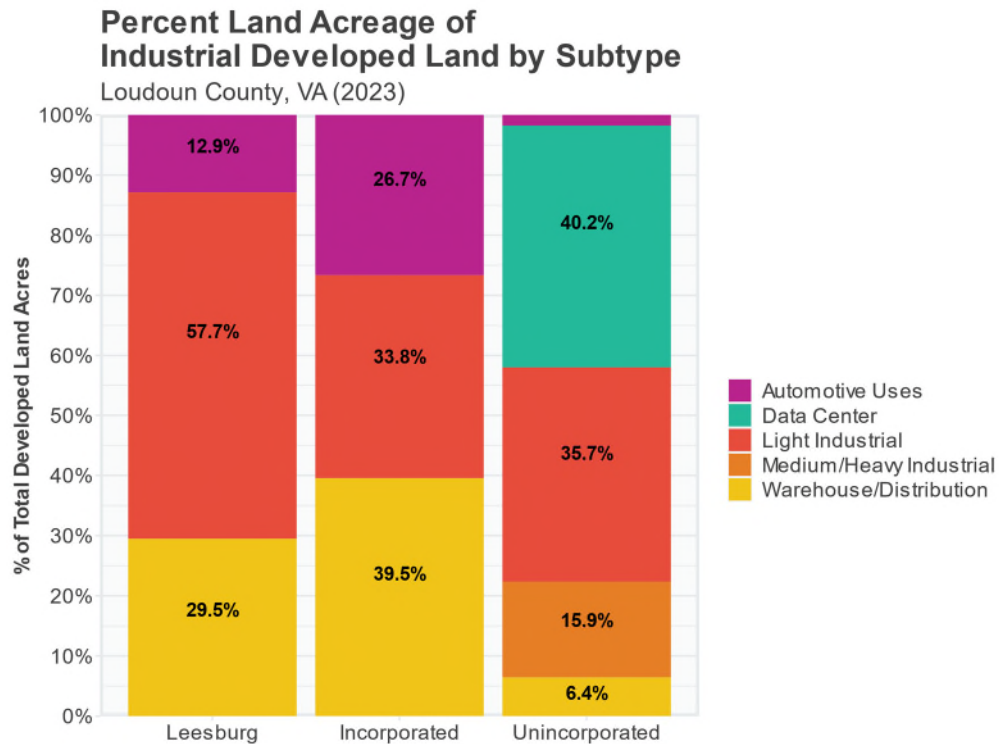
²⁰⁵ RKG Analysis at 29, 30; *see* RKG Report at 9–10 & fig. 7.

²⁰⁶ *See supra* n. 205.

²⁰⁷ *See* RKG Report at 14.

example, the average parcel size for a data center development in the County is thirty acres.²⁰⁸ Parcels that size, or contiguous developable areas, generally do not exist within towns. Again, figures illustrating both acreage and building square footage for industrially developed land are included below.

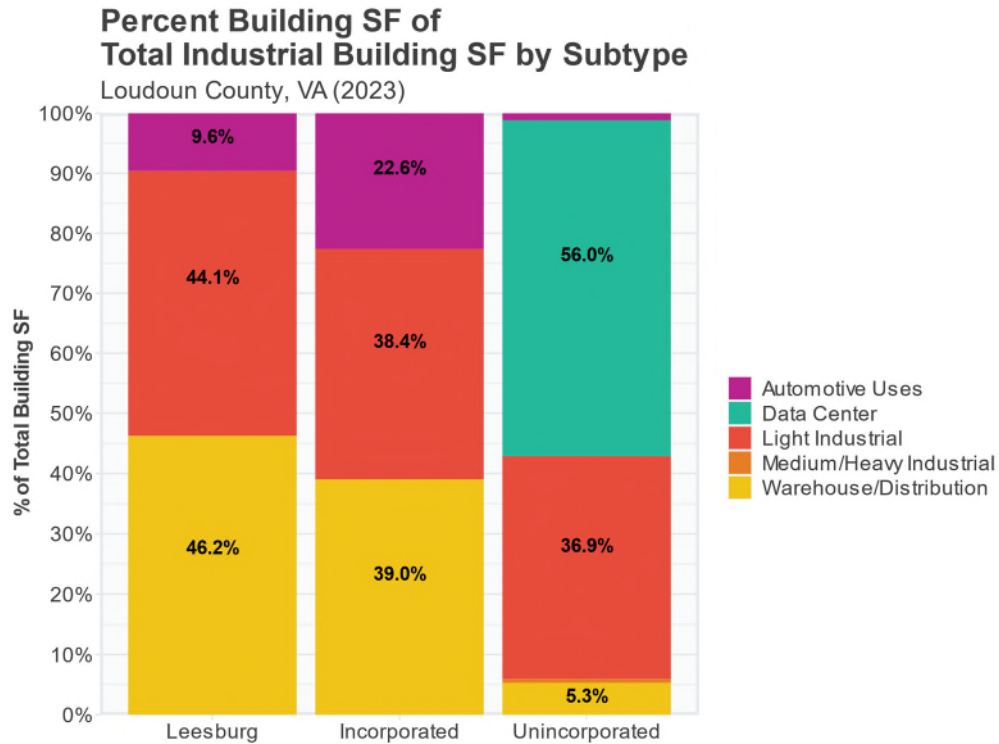
Figure 16. Comparison of Industrial Development in the County by Subtype Acreage²⁰⁹



²⁰⁸ RKG Analysis at 29.

²⁰⁹ Id.

Figure 17. Comparison of Industrial Development in the County by Subtype of Building Square Footage²¹⁰



The data also demonstrate the relative attractiveness of Leesburg for appropriate non-residential development. Between 2010 and 2023 the average square footage of non-residential development per acre was greater in Leesburg than in other incorporated areas or the unincorporated areas of the County.²¹¹ Within the commercial subtypes, the scale of development within the Town has largely outpaced other incorporated areas and remained commensurate with that of the unincorporated areas of the County.²¹² Similarly, after accounting for data centers, the Town’s average size of industrial development compares favorably within the County.²¹³

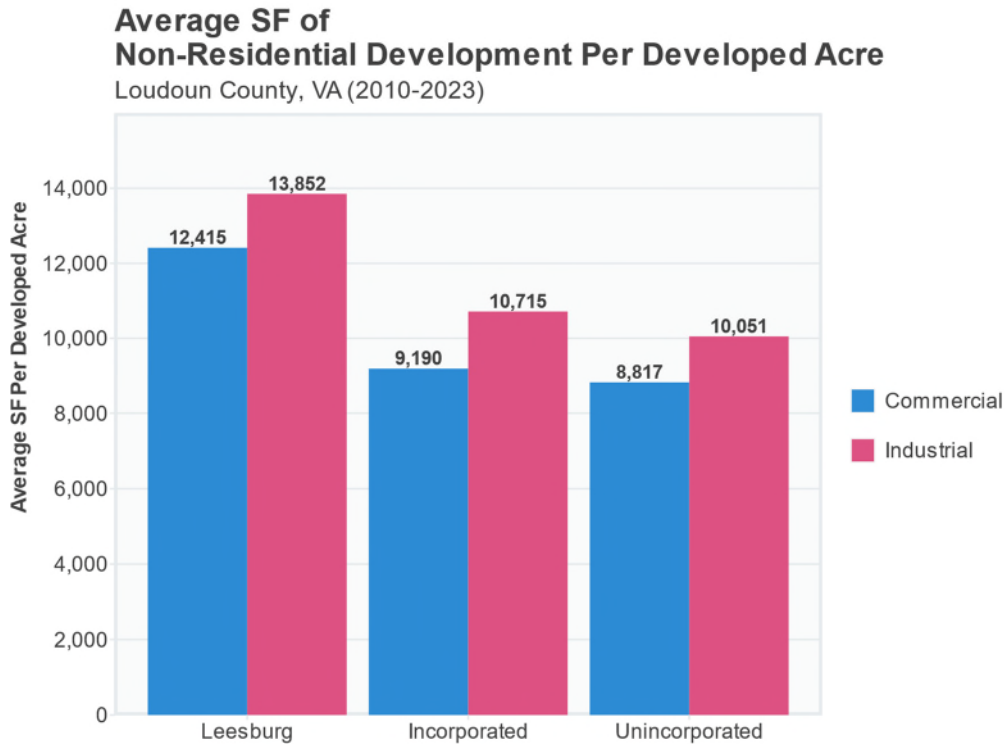
²¹⁰ RKG Report at fig. 7; RKG Analysis at 30.

²¹¹ RKG Report at 11–12 & fig. 10.

²¹² See RKG Analysis at 22.

²¹³ See *id.* at 21.

Figure 18. Historical Average of Non-Residential Development in the County per Developed Acre²¹⁴



Analysis of building permit data for proposed non-residential development within the study areas also illustrates competitive parity between Leesburg and unincorporated Loudoun County.²¹⁵ The projected non-residential development in Leesburg is 2.9 square feet per person, compared to 3.4 square feet per person in the unincorporated areas of the County.²¹⁶ There are, of course, generally larger industrial developments in the unincorporated areas of the County due to the amount and scale of expansive data centers.²¹⁷ The data does not, however, indicate any disadvantage to development patterns within the Town when evaluated by density, scale, and proportionality.

²¹⁴ RKG Report at fig. 10; RKG Analysis at 19.

²¹⁵ RKG Report at 13 & fig. 11.

²¹⁶ Id.

²¹⁷ RKG Analysis at 20, 21.

Despite the relative economic advantage experienced by Leesburg’s density and demand, the pace of development suggests that it will be many years before the Town experiences “build-out.”²¹⁸ This analysis does not include the redevelopment or adaptive reuse possibilities, which are critical components of future development within the Town as it matures.²¹⁹ Nor does it take into account the Town’s designated areas within the municipal limits for transformation or evolution.²²⁰ Not accounting for potential redevelopment projects, the Town’s current pace of development projects that industrial land, which is the vast majority of the APA, will not be built out for roughly twenty-three years, while the County’s industrial land will be absorbed in approximately ten years.²²¹ The very real constraints on industrial space in Loudoun County are also recognized by the Town.²²²

Table 34. Projected Build-Out in County Areas²²³

| PROJECTED BUILD OUT | | | |
|-------------------------------|--|--|--|
| | Average Annual Acres Absorbed ¹ | Remaining Developable Acres ² | Estimated Absorption (in Years) ³ |
| Leesburg | | | |
| Commercial | 12.0 | 153.3 | 12.7 |
| Industrial | 2.9 | 66.7 | 22.8 |
| Incorporated Loudoun | | | |
| Commercial | 1.1 | 67.6 | 61.1 |
| Industrial | 0.6 | 1.4 | 2.3 |
| Unincorporated Loudoun | | | |
| Commercial | 50.0 | 3,541.4 | 70.9 |
| Industrial | 243.2 | 2,420.6 | 10.0 |

¹ Average consumption of acres per year based on development activity and land consumed 2010-2021

²¹⁸ RKG Report at 12–13 & t.1.

²¹⁹ Legacy Leesburg Town Plan for Leesburg, Virginia 31, 65 (March 22, 2022) [hereinafter Legacy Leesburg], <https://tinyurl.com/4vzbe74k>; see RKG Report at 13.

²²⁰ Legacy Leesburg at 74–75, 95–96.

²²¹ RKG Report at 12–13 & t.1.

²²² Legacy Leesburg at 56 (“[T]here is very little industrial supply currently in outlying Loudoun County.”).

²²³ RKG Report at t.1.

² Vacant land zoned for commercial and industrial development net impacted areas (e.g., wetlands)

³ Projected number of years to consume remaining developable acres

In reality, many light industrial flex spaces within Leesburg are occupied by office tenants and recreational operations, indicating that areas currently zoned for industrial uses are not being realized for their highest and best use.²²⁴ Although the Town's development horizon for commercial acreage is shorter, the annexation provides no additional capacity because the commercial areas of the APA are already developed. Additionally, given the potential for underutilized commercial properties in the Town to be targeted for redevelopment, the actual capacity of the Town likely is much higher.²²⁵ According to this data, Leesburg still has ample vacant land available for commercial and industrial development.

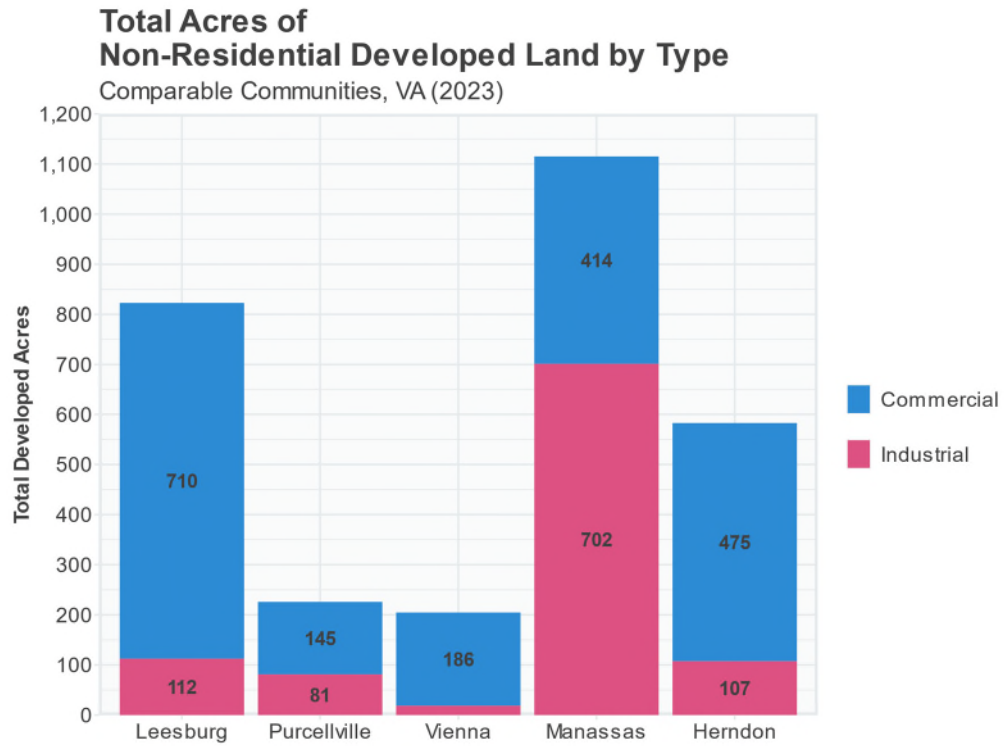
Leesburg's commercial and industrial land, both developed and vacant, also demonstrates long-term viability when evaluated against the comparable regional localities of Purcellville (also in Loudoun County), Herndon (Fairfax County), Manassas (Independent City), and Vienna (Fairfax County). The Town's total acres and square footage of development compare very favorably to these other high-performing localities.²²⁶ Of course, each of these localities have different policy priorities, industry and market targets, and development ordinances; however, this comparison confirms for the Commission that Leesburg is generally on par with or exceeding its peers in the region.

²²⁴ See RKG Report at 9–10, 24–25.

²²⁵ See *id.* at 13.

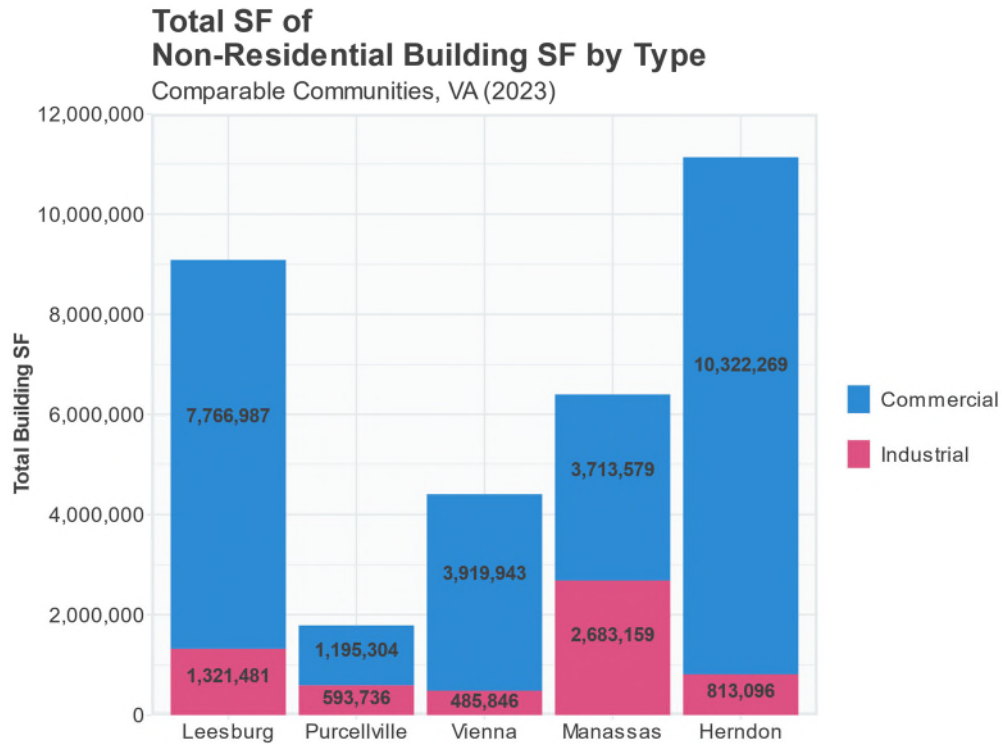
²²⁶ See *id.* at 19–21; *see also* RKG Analysis at 37–48.

Figure 19. Comparison of Non-Residential Developed Acreage in Region²²⁷



²²⁷ RKG Analysis at 46.

Figure 20. Comparison of Non-Residential Developed Acreage in Region²²⁸



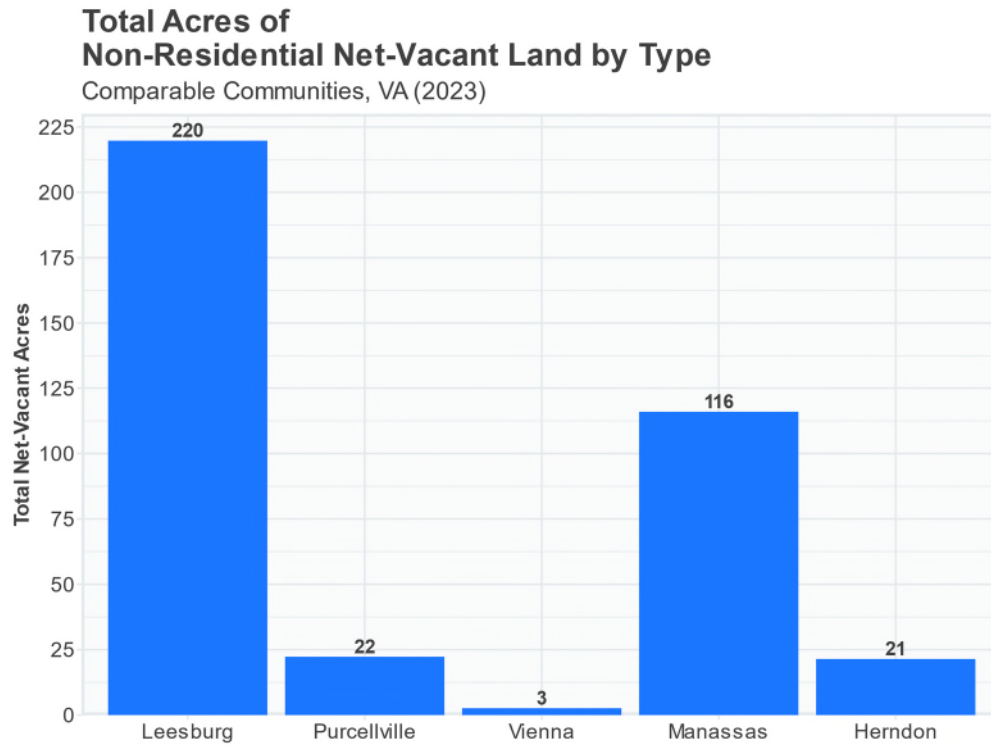
Additionally, Leesburg has significantly more vacant non-residential acreage than the Town’s selected comparison group.²²⁹ Leesburg has nearly twice as much vacant non-residential land as Manassas and ten times as much as Purcellville and Herndon. The Town’s proportionate commercial and industrial land within its available non-residential acreage also illustrates impressive capacity relative to comparable municipalities in the region. Leesburg’s unconstrained non-residential acreage is 36% greater than the combined amount for all four comparable communities.²³⁰ Considering its relative surplus of undeveloped non-residential acreage, the Town is well-positioned for ongoing success competing in the region’s still-growing economy.

²²⁸ RKG Report at fig. 19; RKG Analysis at 47.

²²⁹ RKG Report at 20–21 & figs. 20, 21.

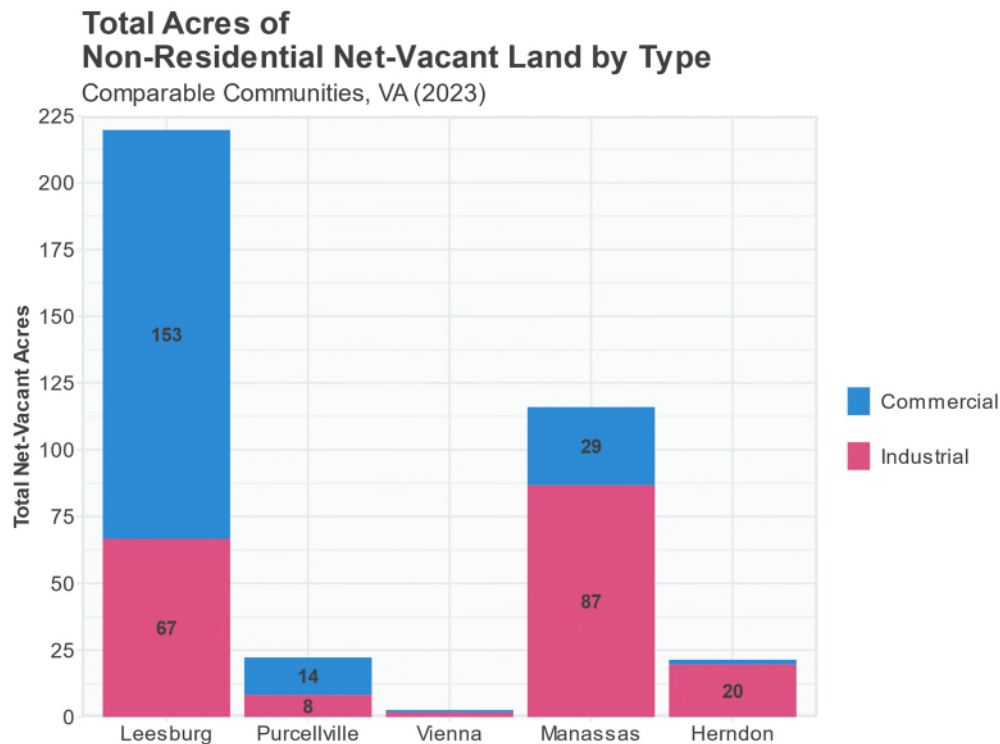
²³⁰ RKG Report at 20–21.

Figure 21. Comparison of Non-Residential Vacant Acreage in Region²³¹



²³¹ RKG Report at fig. 20; RKG Analysis at 43.

Figure 22. Comparison of Non-Residential Developed Acreage in Region by Type²³²



Even taking Leesburg’s calculation on “vacant” land as accurate, which it is not, the Town has nearly five times more available non-residential net vacant land than both Purcellville and Herndon, and nearly as much as Manassas, an independent city with a particular focus on maximizing nonresidential development.²³³ With this comparatively large surplus and the historical pace of development, there is no need for the Town to annex additional commercial or industrial land either now or in the near future.

The Notice claims that development pressures have forced the Town Council to approve applications rezoning property for residential uses.²³⁴ Despite there being a proportionately appropriate amount of commercial and industrial land available to the Town, both now and prospectively, Leesburg also has vast amounts of vacant acreage that can be redesignated and

²³² RKG Report at fig. 21; RKG Analysis at 48.

²³³ See RKG Report at 20–21 & figs. 20, 21; see also RKG Analysis at 46-48.

²³⁴ Notice at 149–50.

eventually rezoned to districts and for uses that the Town Council determines are appropriate in the best interests of the Town. The Town has approximately 561 acres of taxable vacant land, approximately 486 acres of which are developable, and can be reallocated based on the Town's future needs and priorities.²³⁵ To date the Town has also not encouraged the sought-after industrial development through amendments of its zoning ordinance. At its February 28, 2023 meeting, the Town Council initiated the consideration of amendments to its zoning ordinance to accommodate the development needs of data centers within Leesburg's industrial zones.²³⁶ It is evident that the Town Council has not pursued legislative efforts to encourage the type of development it seeks to annex within Leesburg's proportionally large industrial and commercial land area. Constriction of developable land is the natural result of the Town's maturation as well as the growth-focused eastern portion of the County reaching the western edges of Leesburg. Here, an expansion of municipal boundaries is unnecessary, however, where the Town has capacity for future development, particularly when the Town's tax base is more-than-adequate and it has resources available, both currently and prospectively, to ensure not only viability but incredible success.

In addition to there being no need for the Town to obtain additional land to ensure its viability, it is worthwhile to note that the APA is not proposed to be annexed for the Town's future development, or to serve the needs of Town residents, or even for the Town to provide additional urban services. By the Town's own analysis, annexation of the APA provides essentially **no** additional commercial or industrial development capacity to the Town. The entirety of the APA is already developed, under development, or approved for development pursuant to the County's long-term planning and development-oriented ordinances and policies.²³⁷ Obtaining additional

²³⁵ RKG Report at 5–6 & fig. 4; RKG Analysis at 9, 11.

²³⁶ Leesburg Town Council, Resolution No. 2023-036 (Feb. 28, 2023), <https://tinyurl.com/2788yue2>.

²³⁷ See *infra* Sec. 8(II)(B) discussing subdivision and zoning services.

industrial and commercial land is primarily important to a municipality to expand or enhance its available tax base and resources; however, as has already been established by the data presented to the Commission, Leesburg has no need in that regard.²³⁸ Although certain properties in the APA contain retail commercial uses benefitting the residents of the County, both those residing within the Town and the unincorporated areas, the vast majority of the acreage is dedicated to uses that do not require services provided by the Town. Incorporation of such areas would negatively impact property owners, be contrary to public policy goals, and may be detrimental to the provision of utility service by the Town to its residents and other areas potentially served by municipal water and sewer.²³⁹

²³⁸ See *supra* Sec. 6, discussing lack of need for tax resources

²³⁹ See *infra* Sec. 8(II)(A).

Section 8 County Services

1 Va. Admin. Code § 50-20-540(10)

Pursuant to 1 Va. Admin. Code § 50-20-540(10), Loudoun provides the following data, exhibits, and other evidence concerning the need for urban services within the APA, the County's current level of governmental services, and the County's superior capability to provide needed services.

I. Overview

As one of the most sophisticated counties in the Commonwealth, Loudoun provides comprehensive governmental services to its citizens in both the incorporated and unincorporated areas of the County. The portion of the County proposed for annexation by the Town, however, consists entirely of industrial and commercial development, which must inform the Commission's considerations under this regulatory factor; in particular, "the need in the area proposed for annexation for urban services."²⁴⁰ Although the County does not anticipate that the APA has a particular need for certain urban services listed in the regulations, complete information is included for the Commission's consideration. The County's current level of service is important for the Commission to consider because the cost of these premium services offered to all County residents, including those residing in Leesburg, is ordinarily reflected in an increased real property tax rate; however, those burdens can be, and in Loudoun County have been, reduced through non-residential tax revenue such as that represented in the APA. Due to its planned and developed non-residential nature, the services most relevant to the needs of the APA are public planning,

²⁴⁰ 1 Va. Admin. Code § 50-20-540(10) (emphasis added).

subdivision and zoning, water, sewer, transportation, stormwater, law enforcement, and fire protection.

II. Governmental Services

A. Water and Sewage (1 Va. Admin. Code § 50-20-540(10)(a), (b))

Depending on geographic location and County policy, properties in the County access water and wastewater service from three utility sources: (1) private well and septic systems, (2) municipal water and sewer systems, and (3) Loudoun Water, which operates a central water and wastewater system (the “Central System”) in the eastern portion of the County and smaller, independent Community Systems in the western portion of the County.²⁴¹ Relevant to the Commission’s consideration in this matter are the Central System and the municipal systems operated by the Town of Leesburg. The County’s General Plan identifies specific policy areas related to the provision of utility service within the County, including, in relevant part, the Transition Policy Area (“TPA”) and the Leesburg Joint Land Management Area (“JLMA”).²⁴² Since 2004, the County has envisioned the extension of the Central System throughout the TPA and it remains the County’s policy goal for new development in the TPA to connect to the Central System.²⁴³ Because of the planned, and soon to be constructed, extension of the Central System to the TPA – both in proximity to and through the APA and JLMA – Loudoun Water is designated by policy as the presumed utility provider for new service in the JLMA, including the entirety of the APA.²⁴⁴ These planning policy areas are likewise reflected in Loudoun Water’s project areas,

²⁴¹ Loudoun County, Loudoun County 2019 General Plan 6-8, 6-9, 6-32 (2023) [hereinafter Loudoun General Plan], <https://tiny1.io/8smt>. Loudoun Water operates over 40 smaller community water and wastewater systems, including those sponsored by Loudoun County due to health hazard conditions. See Capital Improvement Plan 2023-2032 2 (2022) [hereinafter Loudoun Water Capital Improvement Plan] <https://www.loudounwater.org/sites/default/files/Loudoun%20Water%202023%20-%202023%20CIP%20Capital%20Improvement%20Plan.pdf>.

²⁴² Id. at 1-3, 2-76.

²⁴³ Id. at 2-67, 2-68, 2-70 (Strategies 1.1.C, 1.1.F).

²⁴⁴ Id. at 2-130–2-131.

identified on Figure 23 below.²⁴⁵ Loudoun Water’s current projects within the JLMA are detailed in the document included with this responsive filing as Appendix C.

Figure 23. Loudoun Water Central Water and Sewer Project Areas²⁴⁶



Loudoun Water, formerly known as the Loudoun County Sanitation Authority, was established by the Loudoun County Board of Supervisors on May 27, 1959 pursuant to the Virginia Water and Waste Authorities Act²⁴⁷ and operates under a charter from the State Corporation Commission.²⁴⁸ Loudoun Water, although a distinct public body politic and corporate, was created

²⁴⁵ Loudoun Water, JLMA Water & Sewer Project Coordination (Apr. 18, 2022) [hereinafter Loudoun Water Project Update] (*See infra* Appendix C).

²⁴⁶ *See* Appendix C.

²⁴⁷ Va. Code § 15.2-5100 *et seq.*

²⁴⁸ Loudoun Water, Statement of Policy 3 (September 8, 2022) [hereinafter Statement of Policy], <https://tiny1.io/8snC>.

by the County and has partnered with the County for more than 40 years to provide water and wastewater service to unincorporated areas of the County. Loudoun Water is an integral part of the County’s achievement of policy goals, especially related to economic development, growth management, environmental health, and public health. Cooperative policymaking and planning between the County’s Board of Supervisors and the Loudoun Water Board of Directors is essential to the success of both Loudoun Water and the County. Loudoun Water ensures that its policies and planning are consistent with those of the Board of Supervisors, including the County’s comprehensive plan.²⁴⁹ Likewise, the County recognizes Loudoun Water as a unique and critical partner in its long-term comprehensive planning and development policies.²⁵⁰ The water and wastewater infrastructure, capacity, and services provided by Loudoun Water have evolved alongside the needs of the County and its residents; this mutual progress continues in both current and future planning. The County is an active participant in the provision of utility service when needed for the health, safety, and welfare of the residents.²⁵¹

Loudoun Water is governed by a nine-member board (the “Board of Directors”), the members of which are appointed by the County’s Board of Supervisors for terms of up to four years.²⁵² The members may be reappointed for additional terms, without limitation.²⁵³ The Board of Directors adopts and oversees the strategies, goals, and policies of Loudoun Water consistent with Loudoun Water’s commitment to excellent customer service and utility-based principles.²⁵⁴ Each of the members of the Board of Directors brings a wealth of knowledge and experience

²⁴⁹ *Id.* at 4; Loudoun Water Capital Improvement Plan at 4.

²⁵⁰ *See* Loudoun County General Plan at 2-70, 2-130, 2-131, 6-2, 6-9, 6-10, 6-20, 6-22; *see, e.g.*, Loudoun County Zoning Ordinance, Art. 8 (adopted June 16, 1993, as amended through Apr. 4, 2023) <https://tiny1.io/8so8> (defining “sewer, public” and “water, public”).

²⁵¹ *See, e.g.* Loudoun Water Capital Improvement Plan at 209 (Project No. WTR00138; the County is reimbursing Loudoun Water for design and construction of a water distribution system to address groundwater contamination).

²⁵² *Id.* at 3.

²⁵³ *Id.* at 4.

²⁵⁴ *Id.*

relevant to their role of policy-making for Loudoun Water.²⁵⁵ The Board of Directors meets monthly and maintains an active focus on its governance and financial oversight responsibilities, as demonstrated by its three standing committees: Finance, CIP, and Audit.²⁵⁶ Loudoun Water's status as a premier organization and provider of utility services is due in no small part to the responsible governance provided by the Board of Directors and the excellence of its professional management. For thirty-four consecutive years Loudoun Water's Annual Comprehensive Financial Report has received the prestigious Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association's (GFOA).²⁵⁷

The Board of Directors appoints and supervises a General Manager who is responsible for policy implementation and management of the day-to-day operations and affairs of Loudoun Water.²⁵⁸ The General Manager is supported by three Deputy General managers who oversee Loudoun Water's major departments: Administration, Finance, Operation & Maintenance, and Planning & Engineering.²⁵⁹ As of December 31, 2021, Loudoun Water employed 325 persons in full-time equivalent positions, including 125 FTEs dedicated to water operations, and 70 dedicated to sewer operations.²⁶⁰ Loudoun Water has experienced staff growth of over 54% in the last ten years.²⁶¹ Increases in staffing have been needed to meet the operational needs of Loudoun Water's capital and service expansions. Loudoun Water serves nearly 85,000 customer accounts, approximately 80,000 of which are residential accounts and 5,000 being non-residential (classified as "commercial" but includes apartments, business malls, industrial, government buildings,

²⁵⁵ Board of Directors, Loudoun Water, <https://www.loudounwater.org/board-directors>.

²⁵⁶ *See* Statement of Policy at 4.

²⁵⁷ Loudoun Water, 2021 Annual Comprehensive Financial Report 3 (2022) [hereinafter Loudoun Water 2021 Annual Comprehensive Financial Report], https://www.loudounwater.org/sites/default/files/LCSA_2021_AnnualReport_web.pdf.

²⁵⁸ Statement of Policy at 4.

²⁵⁹ Loudoun Water Annual Comprehensive Financial Report at 6.

²⁶⁰ Loudoun Water 2021 Annual Comprehensive Financial Report at 88.

²⁶¹ Id.

schools, and religious buildings).²⁶² This represents an estimated service population of over 328,000 County residents.²⁶³

In service of its customers and the County's future development needs, Loudoun Water has over 2.3 billion dollars in capital assets.²⁶⁴ Significant assets are contributed to Loudoun Water by developers, who are required to bear the cost of extending public facilities to serve their proposed developments.²⁶⁵ In 2021, Loudoun Water accepted water distribution mains and sewer lines constructed by developers valued at 6.8 million dollars and 5.9 million dollars, respectively.²⁶⁶ Loudoun Water also undertakes projects to expand and optimize its infrastructure in pursuit of maintaining efficient and best-practice utility services for the unincorporated areas of the County. Those projects are determined through the adoption of a capital improvement plan, which serves as the foundation for Loudoun Water's current fiscal year capital spending plan, informs the five-year plan, and provides a ten-year roadmap for the authority's future capital and infrastructure needs.²⁶⁷ The current short and medium-term capital projects are detailed in Loudoun Water's 2023-2032 Capital Improvement Plan ("Water CIP").²⁶⁸ Consistent with adopted County policy, Loudoun Water has completed master planning for the TPA, JLMA East and JLMA West service areas, and projects are all currently either in a design, procurement, or construction phase.²⁶⁹

²⁶² *Id.* at 79 (Table 8).

²⁶³ Loudoun Water 2021 Annual Comprehensive Financial Report at 86.

²⁶⁴ Loudoun Water 2021 Annual Comprehensive Financial Report at 18.

²⁶⁵ See Loudoun Water, Rates, Rules and Regulations R. No. 7 (Jan. 1, 2023) [hereinafter *Water Regulations*], [https://go.boarddocs.com/va/lwva/Board.nsf/files/CQYHVK4A536F/\\$file/Board%20-%20Rates%20Rules%20Regs%20-%20Document%20-%20Jan%201%202023%20-%20Carnes%20-%20Jan%201%202023.pdf](https://go.boarddocs.com/va/lwva/Board.nsf/files/CQYHVK4A536F/$file/Board%20-%20Rates%20Rules%20Regs%20-%20Document%20-%20Jan%201%202023%20-%20Carnes%20-%20Jan%201%202023.pdf); Loudoun Water, Engineering Design Manual 17 (Oct. 2016), https://www.loudounwater.org/sites/default/files/manual_Oct_2016.pdf (Section 2.1).

²⁶⁶ Loudoun Water Comprehensive Financial Report at 19.

²⁶⁷ Loudoun Water Capital Improvement Plan at 3.

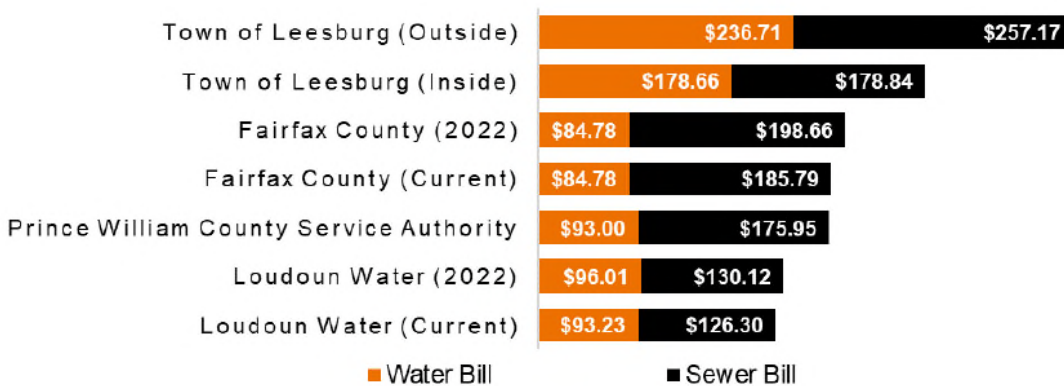
²⁶⁸ Loudoun Water Capital Improvement Plan.

²⁶⁹ See Loudoun Water Project Update.

Significant projects related to sewage treatment and water service relevant to this proceeding as reflected in the Water CIP are detailed *infra*.

To offset expenses related to capital costs, operations, and debt service, Loudoun Water collects revenue from a variety of utility-based rates, fees, and charges.²⁷⁰ These rates, fees, and charges are required to be reasonable and based on responsible cost-recovery and capital planning principles.²⁷¹ Loudoun Water’s structure and scale allow for it to provide customers with service at extremely moderate rates compared to other utility providers in the region. The figure below illustrates the regional rates and comparative average bill for a residential consumer.²⁷²

Figure 24. Comparison of Average Residential Utility Bill in Region²⁷³



Operating income for 2021 was \$47,815,595 before depreciation and amortization.²⁷⁴ Overall, Loudoun Water has a very strong net position of over \$1.8 billion dollars, which represents a positive annual change in position of \$40,621,418.²⁷⁵ Loudoun Water’s ten-year cash

²⁷⁰ Loudoun Water Comprehensive Financial Report at 77 (Table 3); *see* Water Regulations at 4–15.

²⁷¹ *See* Va. Code § 15.2-5136; Statement of Policy at 11.

²⁷² Stantec, Loudoun Water: Water and Sewer Rate Study – Final Report 6, 37–38 (Oct. 22, 2021) [hereinafter 2021 Rate Study], https://www.loudounwater.org/sites/default/files/Loudoun%202021%20Water%20and%20Sewer%20Rate%20Study_final%20no%20signature.pdf.

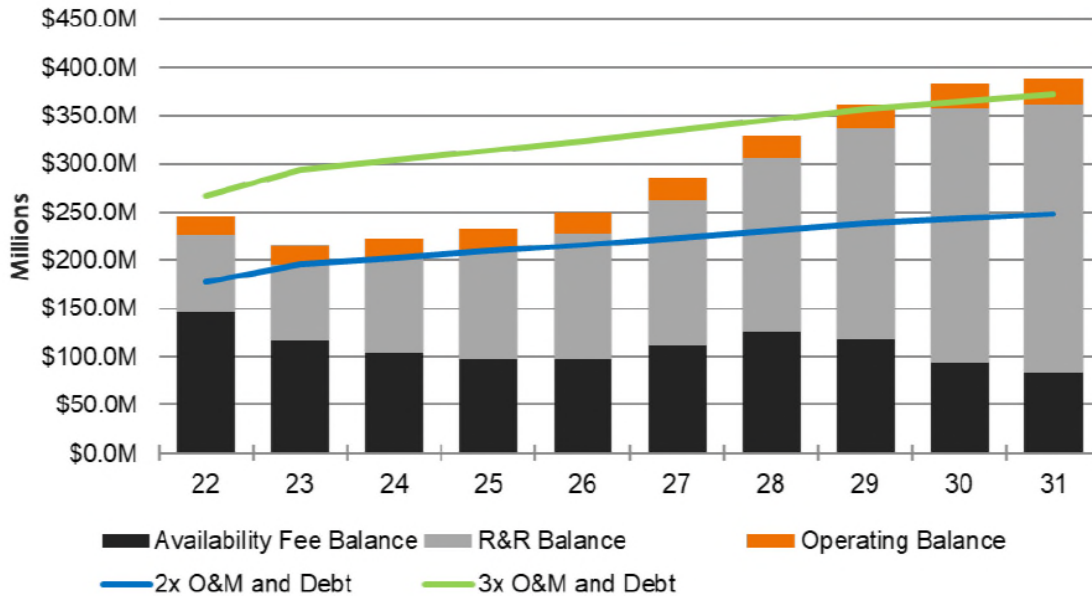
²⁷³ *Id.* at 6.

²⁷⁴ Loudoun Water Annual Comprehensive Financial Report at 24.

²⁷⁵ *Id.* at 16.

balance forecasts demonstrate that the cash balance in each account will remain within the target range over the projection period.²⁷⁶

Figure 25. Loudoun Water Ten Year Cash Forecast²⁷⁷



Loudoun Water’s outstanding revenue bonds carry the highest AAA rating available from each of the rating agencies Moody’s Investors Service, Fitch, and Standard and Poor’s.²⁷⁸ In accordance with its policy, Loudoun Water maintains debt service coverage of at least 1.5 times greater than its senior lien debt service requirements.²⁷⁹ This level of debt coverage is typical within the utility industry and helps to ensure water and sewer revenues are kept at a level that satisfies Loudoun Water’s bond covenants.²⁸⁰ According to Loudoun Water’s independent 2021 rate study, the Authority’s current financial plan will allow Loudoun Water to comfortably satisfy all debt service coverage test requirements.²⁸¹

²⁷⁶ 2021 Rate Study at 34–35.

²⁷⁷ Id.

²⁷⁸ Loudoun Water Annual Comprehensive Financial Report at 20.

²⁷⁹ Statement of Policy at 13; 2021 Rate Study at 19.

²⁸⁰ 2021 Rate Study at 19.

²⁸¹ 2021 Rate Study at 36.

In addition to being a first-rate and fiscally responsible provider of utilities, Loudoun Water is also a community partner with a proven commitment to environmental stewardship, sustainability, and public outreach. Loudoun Water operates an educational facility called the Aquary, consisting of 3,500 square feet of indoor exhibit space²⁸² and over one mile of outdoor interpretive trails,²⁸³ all of which is available to the public at no cost. The Aquary actively contributes to Loudoun Water and the County’s goals of educating citizens about wetlands, water conservation, and water treatment in Loudoun County. On average, more than 700 students tour the Aquary each year, ranging in ages from elementary school to college.²⁸⁴ Loudoun Water has partnered with the Northern Virginia Regional Park Authority (“NOVA Parks”), to plan and construct Reservoir Park at the Beaverdam Creek Reservoir.²⁸⁵

The water services provided by Loudoun Water.

Two sources of water supply the Loudoun Water Central System: the Potomac River and Goose Creek.²⁸⁶ This supply is supplemented by storage capacity available at Loudoun Water’s two existing reservoirs: Beaverdam Reservoir and Goose Creek Reservoir, and Loudoun Water storage facilities. From those sources, Loudoun Water has a total water production capacity of 77 MGD: 20 MGD from Loudoun Water’s Trap Rock Water Treatment Plant (“Trap Rock Plant”), 7 MGD from Loudoun Water’s Goose Creek Water Treatment Plant (“Goose Creek Plant”), and 50 MGD of purchased capacity rights from the Fairfax County Water Authority’s (“Fairfax Water”)

²⁸² Visit Our Exhibit, Loudoun Water [hereinafter Visit Our Exhibit], <https://www.loudounwater.org/community/visit-our-exhibit>.

²⁸³ Our Trails, Loudoun Water, <https://www.loudounwater.org/community/our-trails>.

²⁸⁴ Visit Our Exhibit.

²⁸⁵ Loudoun Water, Loudoun Water and NOVA Parks Break Ground on Reservoir Park at Beaverdam Reservoir (Oct. 17, 2022), <https://www.loudounwater.org/sites/default/files/Loudoun%20Water%20and%20NOVA%20Parks%20Break%20Ground%20on%20Reservoir%20Park%20at%20Beaverdam%20Reservoir.pdf> (press release); see Beaverdam Reservoir, Loudoun Water, <https://www.loudounwater.org/beaverdam-reservoir>.

²⁸⁶ Loudoun Water, Loudoun Water Central System Drinking Water Quality Annual Report for Year Ending 2021 7 (2021), <https://www.loudounwater.org/sites/default/files/2021CentralCCR.pdf>.

James J. Corbalis Jr. Water Treatment Plant (“Corbalis Plant”).²⁸⁷ Primary supply of treated water is obtained from the Trap Rock Plant and the Corbalis Plant, with the Goose Creek Plant supplementing when necessary. Loudoun Water’s Trap Rock Plant currently provides about 12 MGD of treated water; which represents about 40% of daily demand.²⁸⁸ The remainder of the present demand is fulfilled by Loudoun Water’s contracted capacity at the Corbalis Plant. The maximum daily demand in 2022 on Loudoun water’s potable water supply was 41 MGD, representing a present surplus capacity of just under 30 MGD.²⁸⁹ These two facilities provide Loudoun Water customers with drinking water that meets all water quality parameters.²⁹⁰

Table 35. Loudoun Water – Water System Capacity

| Potable Water Supply | Current Capacity (MGD) | Future Planned (MGD) | 2022 System Usage - Max Day (MGD) |
|------------------------------------|------------------------|----------------------|-----------------------------------|
| Fairfax Water Supply | 50 | 50 | |
| Trap Rock Water Treatment Facility | 20 | 40 | |
| Total | 70 | 90 | 41 |

The strategic vision for Loudoun Water’s future service capabilities and water supply is being implemented through its Potomac Water Supply Program (the “Program”), an environmentally-conscious approach to ensuring reliable and sustainable drinking water for the County.²⁹¹ Key components of the Program are (1) responsible withdrawal of raw water from the Potomac River, (2) banking of raw water in retired rock quarries, (3) investing in a raw water treatment facility, and (4) constructing new transmission infrastructure. All four components of the Program are either complete or underway. The Potomac River Water Intake and Pumping

²⁸⁷ Loudoun Water Annual Comprehensive Financial Report at 89, t.18.

²⁸⁸ Loudoun Water Capital Improvement Plan at 7.

²⁸⁹ Loudoun Water, Mark Peterson, Deputy General Manager.

²⁹⁰ Loudoun Water, Central System Drinking Water Quality Annual Report for the year ending 2022 2, 9-11 (2023), <https://www.loudounwater.org/sites/default/files/2022CCRv2.pdf>.

²⁹¹ Potomac Water Supply Program, Loudoun Water [hereinafter Potomac Water Supply Program], <https://www.loudounwater.org/potomac-water-supply-program>.

Station (the “Potomac Station”) is complete and has an operational capacity to pull 40 MGD of raw water into the Central System.²⁹² The Potomac Station’s operating system is designed with the technological capability to pull water from the Potomac River in a manner that is adaptive to the natural circumstances and needs of the river’s ecosystem. Coupling the Potomac Station’s capability with the ability to store vast amounts of raw water in abandoned quarries, will allow Loudoun Water to ensure adequate water resources for human consumption and economic activity, while simultaneously protecting the County and Commonwealth’s environmental resources during climatologically challenging times. Loudoun Water has partnered with Luck Stone, a Virginia-based business, to secure retired rock quarries for raw water storage.²⁹³ Conversion of the first quarry, referred to as “Quarry A,” into a water storage and pumping facility (the “Milestone Reservoir”) is under design, and construction of the project, including the associated pump station and transmission mains, is anticipated to begin in FY2023.²⁹⁴ Upon completion, expected in FY2028, the Milestone Reservoir will provide Loudoun Water with approximately 1.3 billion gallons of raw water storage.²⁹⁵ As additional quarries are retired and converted, Loudoun Water anticipates that it will be able to store more than 8 billion gallons of water.²⁹⁶ For treatment of the raw water, the design of the Trap Rock Plant allows for treatment capacity to increase along with both consumer demand and increases in supply, which can come from the Potomac Station and the Milestone Reservoir.²⁹⁷ Planning and design are underway to increase the treatment capacity of the Trap Rock Plant from 20 MGD to 32 MGD, with construction expected to conclude in

²⁹² Loudoun Water Capital Improvement Plan at 7.

²⁹³ Potomac Water Supply Program.

²⁹⁴ Loudoun Water Capital Improvement Plan at 14, 111 (Project Number PWS00006).

²⁹⁵ Loudoun Water Capital Improvement Plan at 111.

²⁹⁶ Potomac Water Supply Program.

²⁹⁷ Loudoun Water Facilities, Loudoun Water, <https://www.loudounwater.org/about/loudoun-water-facilities>.

FY2026.²⁹⁸ Additional upgrades will expand the Trap Rock Plant's capacity to 40 MGD; however, those improvements are not needed within the next ten years.²⁹⁹

Also critical to Loudoun Water's provision of water services is its distribution network. Loudoun Water operates 1,421.5 miles of water main and 179 miles of water service lines.³⁰⁰ Water pressure throughout the Central System is maintained by 36 pressure regulating stations, which not only support public health but also public safety by supplying fire suppression by way of over 14,000 fire hydrants throughout the County.³⁰¹ Consistent with the policies and planning of Loudoun Water and the County, extension and expansion of water distribution infrastructure is underway in order to serve the TPA and JLMA West. A map illustrating the relevant projects is included as Figure 26.³⁰² Below is a summary of the water projects directly impacting the APA, along with their current status and expected construction schedule:

- W1A West: This is a developer-led project and includes the design and construction of approximately 3,300 linear feet of 24-inch watermain extending along Sycolin Road to Shreve Mill Road East. Planning and design are complete and construction is underway, with the project expected to conclude in the third quarter of 2023.³⁰³
- W1B West: This is a developer-led project and includes design and construction of a 24-inch watermain extension. Planning and design are complete and construction is underway, with the project expected to conclude in the fourth quarter of 2023.³⁰⁴
- W2 West and W7 West: Design and construction of approximately 6,100 linear feet of 24-

²⁹⁸ Loudoun Water Capital Improvement Plan at 14, 113 (Project Number PWS00007).

²⁹⁹ See *Id.*

³⁰⁰ Loudoun Water Annual Comprehensive Financial Report at 89, t.18.

³⁰¹ *Id.*

³⁰² Loudoun Water, JLMA Water & Sewer Project Coordination (October 31, 2022).

³⁰³ Loudoun Water Capital Improvement Plan at 19, 235 (Project No. WTR00172); see Loudoun Water Project Update.

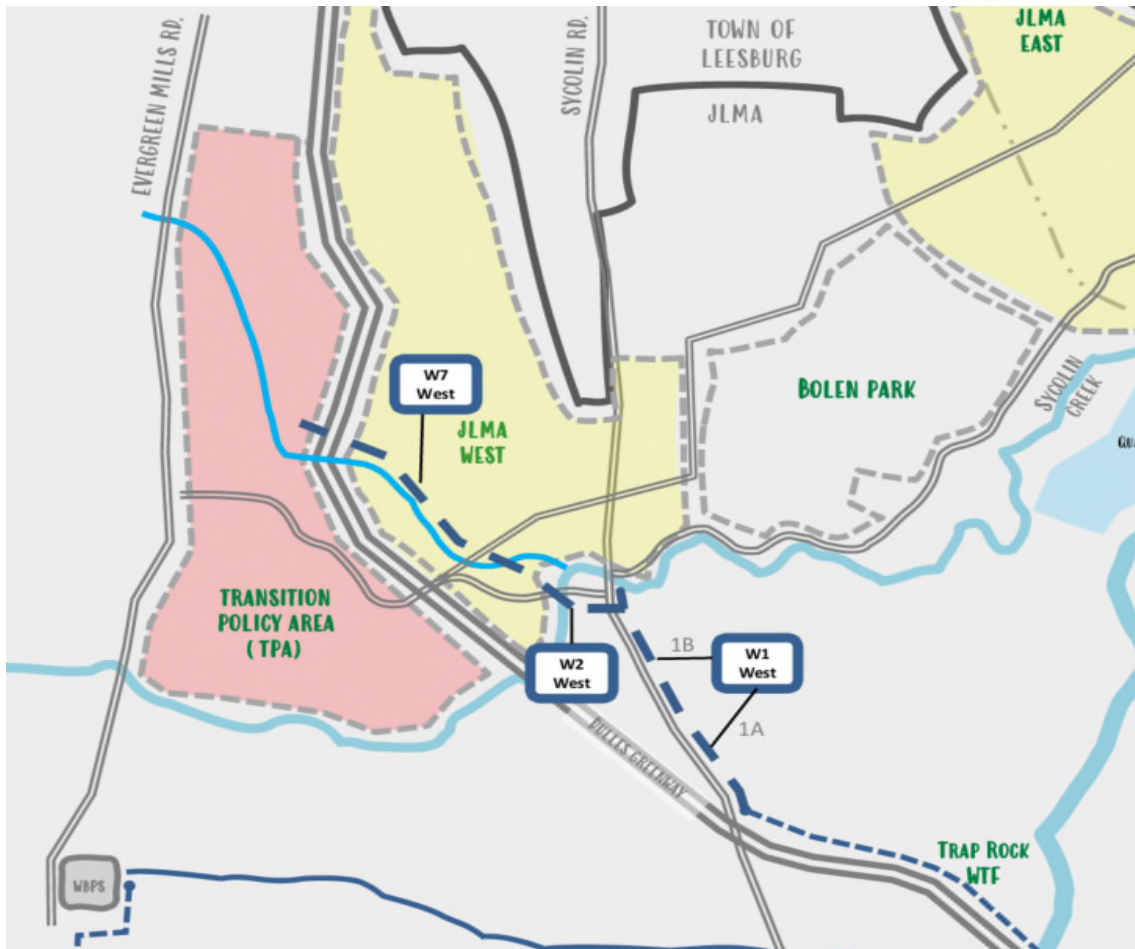
³⁰⁴ Loudoun Water Project Update.

inch diameter water transmission main in the area included in the West JLMA planning, generally located southwest of Bolen Park. This portion of the transmission main will extend from Shreve Mill Road, cross under Sycolin Creek, and then cross the Dulles Greenway to extend water service to the TPA. These projects cross the APA and will provide water service to the Microsoft parcel that is proposed to be annexed into the Town. Planning is complete, design is substantially underway, and construction is expected to begin in the fourth quarter of 2023 and conclude in the third quarter of 2025.³⁰⁵ Loudoun Water has obtained the easements from Microsoft Corporation necessary to install this water infrastructure.³⁰⁶

³⁰⁵ Loudoun Water Capital Improvement Plan at 18, 230 (Project No. WTR00164); *see* Appendix C.

³⁰⁶ Loudoun County Circuit Court Clerk's Office, Deed of Easement and attached plat as Instrument Number 202304060012645.

Figure 26. Loudoun Water – Water Projects³⁰⁷



Based on good public policy and utility-based principles, Loudoun Water has committed significant funds to providing adequate water service to county residents and properties within the TPA and JLMA West, including those in the APA.³⁰⁸

Loudoun Water also offers reclaimed water for non-potable uses following treatment at its Broad Run Water Reclamation Facility (“Broad Run”). In 2021, Loudoun Water delivered 675 million gallons of reclaimed water to its customers for commercial uses such as irrigation and industrial cooling for data centers, thereby resulting in an equivalent reduction in the demand on

³⁰⁷ See Appendix C.

³⁰⁸ See generally, Loudoun Water Capital Improvement Plan.

drinking water resources.³⁰⁹ Loudoun Water operates 21 miles of water mains and 2.2 miles of service lines related to its reclaimed water service.³¹⁰ Loudoun Water’s reclaimed water program furthers the Commonwealth’s policy goals and benefits the consumers, the County, and natural resources.³¹¹ For these reasons, water reclamation is one of the critical components of the Board of Directors’ policies and strategies for water resource planning on behalf of Loudoun Water and the County.³¹² Putting these policies into action, Loudoun Water continues to invest in its water reclamation capacity at Broad Run.³¹³ The Water CIP identifies \$18,580,000 in capital improvements directly related to water reclamation.³¹⁴

The sewage treatment services provided by Loudoun Water.

The Central System’s sewage demands are ably handled by two wastewater treatment facilities: Loudoun Water’s Broad Run Water Reclamation Facility (“Broad Run”) and the Blue Plains Wastewater Treatment Plant (“Blue Plains”) which is owned and operated by the District of Columbia Water and Sewer Authority.³¹⁵ Treated wastewater from Broad Run is safely returned to nearby waterways and also offered to customers as reclaimed water, which can be used for non-potable purposes. Broad Run has a current wastewater treatment capacity of 11 MGD and Loudoun Water’s contracted treatment capacity at Blue Plains is 13.8 MGD.³¹⁶ Broad Run currently treats an average of 8 MGD of wastewater, with the reserved capacity at Blue Plains supplementing

³⁰⁹ Reclaimed Water Program, Loudoun Water, <https://www.loudounwater.org/commercial-customers/reclaimed-water-program>.

³¹⁰ Loudoun Water Annual Comprehensive Financial Report at 89, t.18.

³¹¹ See Va. Code § 62.1-44.2; 9 Va. Admin. Code § 25-740-20; Virginia Department of Environmental Quality, Frequently Asked Questions About Water Reclamation and Reuse 3-4, <https://www.deq.virginia.gov/home/showpublisheddocument/4080/637461428448030000>.

³¹² Statement of Policy at 10.

³¹³ See Loudoun Water Capital Improvement Plan at 10, 15, 118-26.

³¹⁴ Loudoun Water Capital Improvement Plan at 10, 119.

³¹⁵ Statement of Policy at 9.

³¹⁶ Loudoun Water Annual Comprehensive Financial Report at 89, t.18.

treatment as part of the Central System.³¹⁷ The average wastewater system usage in 2022 was 22 MGD, well within the Central System’s current capacity.³¹⁸

Table 36. Loudoun Water – Sewer System Capacity

| Sanitary Sewer | Current Capacity (MGD) | Future Planned (MGD) | 2022 System Usage - Average Day (MGD) |
|--|-------------------------------|-----------------------------|--|
| Blue Plains Wastewater Treatment Plant | 13.8 | 13.8 | |
| Broad Run Water Reclamation Facility | 11 | 33 | |
| Total | 25 | 47 | 22 |

Loudoun Water’s wastewater treatment capacity at Broad Run is currently being expanded from 11 MGD to 16.5 MGD in order to serve growth in the Central System service area.³¹⁹ Construction of the expansion to 16.5 MGD should be complete in 2024.³²⁰ The projects underway at Broad Run include construction of new primary/preliminary treatment trains to expand treatment capacity; modifying the existing secondary treatment system to increase treatment capacity by 50% in the existing footprint; construction of additional onsite wastewater storage to increase the plant’s resiliency to more extreme wet weather events; various improvements to plant systems such as influent pumping, tertiary treatment, solids handling, septage receiving, odor control, chemical delivery, and electrical; and, expanding the delivery of reclaimed water to support integrated water reuse strategies in the service area.³²¹ Loudoun Water’s next planned expansion of Broad Run, referred to as “Phase 3,” will increase the treatment capacity to 30 MGD and provide a new biosolids treatment process to improve the quality, practicality, and volume of the solids produced.³²² Design of Phase 3 is underway, and an engineer’s estimate of probable

³¹⁷ Statement of Policy at 9.

³¹⁸ Loudoun Water, Mark Peterson, Deputy General Manager.

³¹⁹ Loudoun Water Capital Improvement Plan at 8.

³²⁰ Loudoun Water Capital Improvement Plan at 66 (Project No. BRW00002)

³²¹ Loudoun Water Capital Improvement Plan at 8.

³²² Loudoun Water Capital Improvement Plan at 8, 70 (Project No. BRW00032).

construction costs expected in the fourth quarter.³²³ Construction of Broad Run expansion Phase 3 is slated to begin in 2026 and construction is estimated to take approximately 10-15 years.³²⁴

Sewage treatment depends on a reliable transmission network. Loudoun Water operates 55 miles of sewer force main, 265 miles of sewer lateral, 1,000 miles of sewer gravity main, and 8 disposal systems.³²⁵ Consistent with the policies and planning of Loudoun Water and the County, extension and expansion of sewer distribution infrastructure is underway in order to serve the TPA and JLMA West, including the APA. A map illustrating the projects relevant to the Commission's consideration is included as Figure 27.³²⁶ Below is a summary of the sewer projects directly impacting the APA, along with their current status and expected construction schedule:

- S1A-West and S1B-West. This project, which combines two elements of Loudoun Water's JLMA West Master Plan, is developer-led and includes the design and construction of (1) the 1.5 MGD JLMA West sewer pump station, (2) approximately 4,900 linear feet of associated force main, and (3) approximately 1,800 linear feet of gravity sewer pipe.³²⁷ The explicit purpose behind this project is to serve the needs of several data centers, as well as development in the Transition Policy Area west of the APA.³²⁸ This project is under construction and is expected to be complete in the third quarter of 2024.³²⁹
- S2-West and S3A-West. Design and construction of approximately 6,500 linear feet of 20-inch to 36-inch diameter gravity sewer in the area included in the West JLMA planning, generally located southwest of Bolen Park and impacting the APA. This portion of the gravity sewer will extend from the new JLMA West SPS, cross under Sycolin Creek,

³²³ Loudoun Water Capital Improvement Plan at 70 (Project No. BRW00032).

³²⁴ Loudoun Water Capital Improvement Plan at 8, 70 (Project No. BRW00032).

³²⁵ Loudoun Water Annual Comprehensive Financial Report at 89, t.18.

³²⁶ Loudoun Water Project Update.

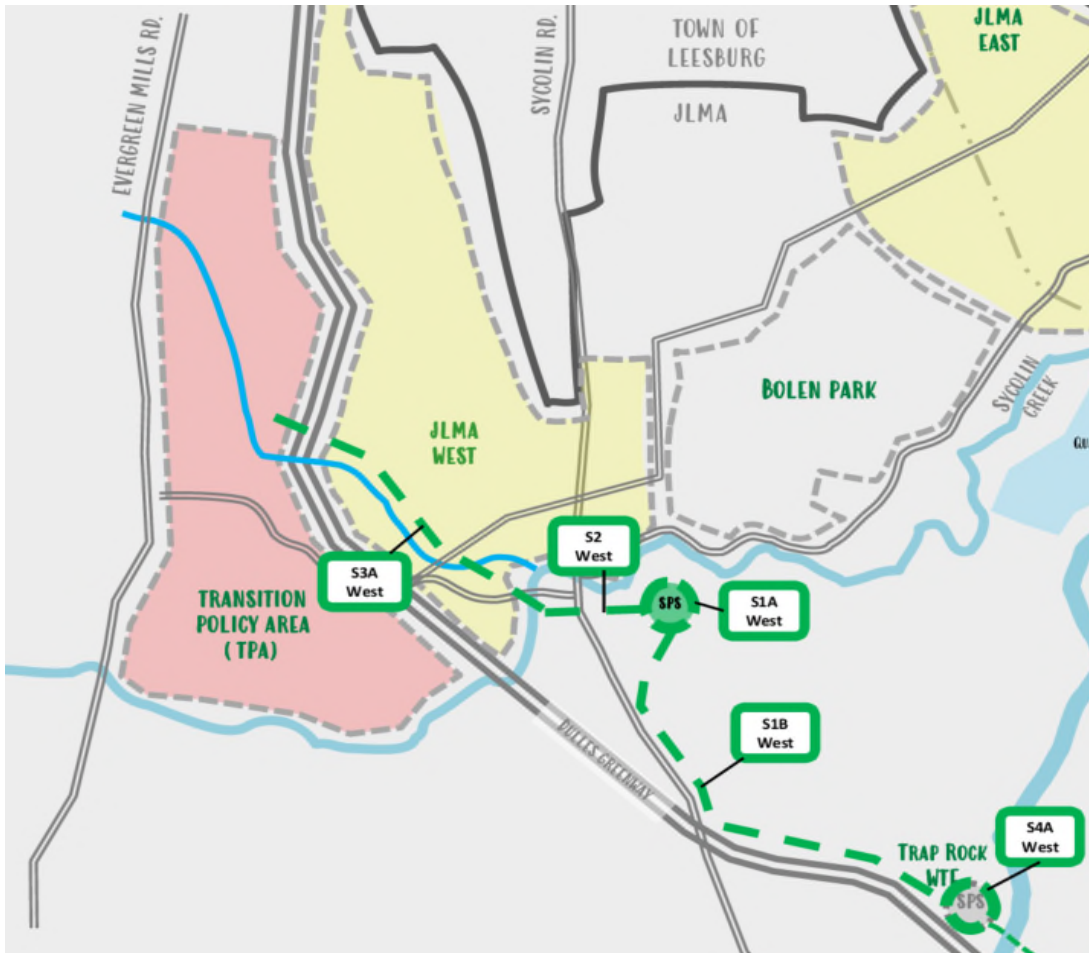
³²⁷ Loudoun Water Capital Improvement Plan at 161 (Project WST00070).

³²⁸ Id.

³²⁹ Loudoun Water Project Update.

traverse a portion of the APA, and then cross the Dulles Greenway to extend service to the Transition Policy Area.³³⁰ Loudoun Water has obtained the easements from Microsoft Corporation necessary to install this sewer infrastructure.³³¹ Construction of this project is expected to begin this year and be completed in the third quarter of 2025.³³²

Figure 27. Loudoun Water – Sewer Projects³³³



As evidenced by these projects, Loudoun Water has significantly invested in providing appropriate sewer collection, transmission, and treatment to the TPA, and those portions of the

³³⁰ See Loudoun Water Capital Improvement Plan at 151 (Project No. WST00058).

³³¹ Loudoun County Circuit Court Clerk's Office, Deed of Easement and attached plat as Instrument Number 202304060012645.

³³² Loudoun Water Project Update.

³³³ See Appendix C.

APA desiring to connect to the Central System. Through the ten-year Water CIP, Loudoun Water plans to expend significant resources to support these sewer projects.³³⁴

The Need for Utility Service in the APA and the Parties' Relative Ability to Serve

The need for water and sewer service in the APA.

As a matter of both policy and reality, there is a need for reliable water and wastewater service for the properties within the APA. The zoning regulations applicable to all properties in the APA require development to connect to public utilities.³³⁵ On a practical level, the existing and anticipated development of the APA requires substantial and reliable utility service; in fact, the industrial users within the APA – data centers – traditionally require large amounts of utility service.³³⁶

The inability of Leesburg to provide utility services to the APA consistent with good policy.

Leesburg currently provides utility service to portions of the APA; however, it is important to note that the provision of utility service is patently not itself justification for annexation.³³⁷ The Town currently serves thousands of out-of-town customers, constituting approximately 19% of the customer base.³³⁸ The Town's current utility service within the APA is mostly focused on Parcels 1, 2, and 3 (Section 3, Map 1A) – the commercial properties containing a Walmart, At-Home, and undeveloped parcel approved for a Wendy's restaurant.³³⁹ This existing and anticipated commercial development represents a modest impact on the Town's utility system, estimated by

³³⁴ See generally Loudoun Water Capital Improvement Plan.

³³⁵ LCZO Secs.4-202(C), 4-502; ZMAP-2012-0021 Proffer Statement Sec. III (requiring connection to municipal system); ZMAP-2021-0012 Proffer Statement, Sec. III (requiring connection to public water and sanitary sewer facilities).

³³⁶ See Notice at 100, 142-44. The Notice assumes certain usage scenarios proposed by the developer of Parcel 6; however, such limitations are not a commitment of the underlying zoning. See ZMAP-2021-0012, Proffer Statement.

³³⁷ See generally Va. Code §§ 15.2-2903, 15.2-2907(B), 15.2-3209; 1 Va. Admin Code 50-20-540.

³³⁸ See Notice at 50-53, 94.

³³⁹ See *infra* **Sec.** 8(II)(2).

the Town to be approximately 2.1 million gallons per year for Walmart (or an average of 5,753 gallons per day of combined water and sewer service), approximately 130,000 gallons per year for At Home (or an average of 356 gallons per day of combined water and sewer service), and approximately 1.2 million gallons per year for the anticipated development of Parcel 3 (or an average of 3,287 gallons per day of combined water and sewer service).³⁴⁰ For design and planning purposes, the Town identifies usage for water alone at 350 gallons per day for a typical single family home.³⁴¹ Unlike the commercial consumers within the APA, the industrial users on Parcels 5 and 6 will require significant utility service.³⁴²

When potential heavy utility uses are considered, the Town has very real treatment capacity concerns related to serving the APA and other needs within the Town and the Leesburg JLMA.³⁴³ These concerns have appropriately been on the mind of the Town and its elected officials for years.³⁴⁴ An analysis prepared by the Town's Department of Utilities was provided to the Town Council at its December 9, 2019 work session meeting, and illustrated the impact on the Town's treatment capacities that results from Leesburg providing utility service to anticipated data centers.³⁴⁵ The tables below are presented directly from the Town's analysis. In almost every

³⁴⁰ Notice at 140-42.

³⁴¹ Town of Leesburg, Town of Leesburg Flow Projections (December 31, 2019) [hereinafter Town of Leesburg Flow Projections], <https://www.leesburgva.gov/home/showpublisheddocument/11086/637195320608770000>; Leesburg Town Council, Council Meeting Minutes 24 (March 14, 2023), <https://portal.laserfiche.com/Portal/DocView.aspx?id=647265&repo=r-165d21d4> (statement of Amy Wyks, Director of the Town's Department of Utilities).

³⁴² See Notice at 100, 142-44.

³⁴³ ^{(b)(7)(D)} Leesburg Town Council, Work Session Meeting Agenda Item 1(b), Tab 02 (December 9, 2019) [hereinafter Leesburg Council Work Session December 9, 2019], <https://tiny1.io/8sr4>; see Town of Leesburg Flow Projection; and Town of Leesburg, Projected Flow at the Utility Plants (Baseline of CY 2018 Flows-12 months) based on current, proposed, future land development, (not including Microsoft Phase II), <https://www.leesburgva.gov/home/showpublisheddocument/11087/636963815845670000> (not including Microsoft Phase II).

³⁴⁴ See, e.g., Leesburg Town Council, Work Session Minutes 1-3 (November 26, 2018), <https://portal.laserfiche.com/Portal/DocView.aspx?id=32578&repo=r-165d21d4> Item 1(a)).

³⁴⁵ Leesburg Council Work Session December 9, 2019, Agenda Item 1(b), Tab 02.

scenario, the Town’s provision of utility service to these data centers is anticipated to create maximum daily water demand and average daily sewer demand in excess of the Town’s capacity.

Figure 28. Leesburg’s Water and Sewer Capacity Considerations

Projected water demand or sewer flow based on design values near plant capacity
 Projected water demand or sewer flow based on design values exceeds plant capacity

| Water Filtration Plant | | |
|---|-------------------|-------------------------------|
| Permitted Capacity = 10 mgd/12.88 mgd | | mgd = million gallons per day |
| <i>Scenario with build out within Town based on current zoning</i> | Average Day (mgd) | Max Day (mgd) |
| Microsoft Phase I | 6.83 | 11.94 |
| Microsoft Phase I and Phase II | 7.44 | 13.02 |
| Microsoft Both Phases and Tuscarora Crossing (TC) Datacenter | 9.02 | 15.78 |
| Microsoft Both Phases, TC and Twin Creek Datacenter | 9.92 | 17.35 |
| Microsoft Phase I only and Tuscarora Creek | 8.40 | 14.71 |
| Microsoft Phase I only, Tuscarora Creek and Twin Creeks Datacenters | 9.30 | 16.28 |

| Water Pollution Control Facility | |
|---|-------------------|
| Discharge Permit Flow = 7.5 mgd | |
| <i>Scenario with build out within Town based on current zoning</i> | Average Day (mgd) |
| Microsoft Phase I | 7.07 |
| Microsoft Phase I and Phase II | 7.48 |
| Microsoft Both Phases and Tuscarora Crossing (TC) Datacenter | 7.92 |
| Microsoft Both Phases, TC and Twin Creek Datacenter | 8.18 |
| Microsoft Phase I only and Tuscarora Creek | 7.52 |
| Microsoft Phase I only, Tuscarora Creek and Twin Creeks Datacenters | 7.78 |

As confirmed by the Notice, the Town’s permitted capacity for water and sewer treatment are unchanged from this analysis.³⁴⁶ Although the assumptions may be modified, the following policy considerations identified by the Town’s Department of Utilities remain relevant to the Commission in its investigation of the Town’s ability to provide reliable utility service in the APA, as well as within the existing municipal boundaries of the Town, and the Leesburg JLMA:³⁴⁷

1. If the entirety of the APA is provided with utility service by the Town, the water and wastewater plants will approach, or exceed, permitted treatment capacity.
2. By providing utility service to portions of the data center development within the APA, the

³⁴⁶ Notice at 94-95.

³⁴⁷ See Leesburg Council Work Session December 9, 2019, Agenda Item 1(b), Tab 02.

Town will be unable to provide utility service to other development within the Leesburg JLMA.

3. If an upgrade to the Town’s water filtration plant is necessary, the Town will need to obtain a new permit, which could result in low flow restrictions or allocations for water withdrawal.
4. The Town and developers may also need to upgrade pipe and pump stations, or construct new infrastructure.
5. If the Town provides utility service to the entirety of the APA, it may impair the Town and County’s ability to rezone property and achieve the highest and best use of property designated and zoned for commercial and industrial development.

The Town’s lack of available utility capacity affecting future development is explicitly acknowledged in its Town Plan, *Legacy Leesburg*, adopted by the Town Council on March 22, 2022.

“While there is capacity for growth today, water and sewer usage must be carefully monitored to ensure that future development accounts for water and sewer capacity upgrades given the time and funding required to construct them.

...

Although further assessment is warranted, preliminary analysis shows that Leesburg’s water and sewer capacity will exceed current thresholds if the full build-out occurs in conjunction with major water users. This puts the Town in a difficult position of choosing whether or not to make expensive investments to expand capacity. The Town is not at this point today, and it is possible that it never reaches this point depending on how quickly growth occurs and what uses are developed. But, the Town and developers must realize that things can change very quickly with major redevelopment projects or with demanding uses.”³⁴⁸

It is difficult to envision more demanding utility uses than are being developed on Parcel 5 – the Microsoft Data Center Campus. In *Legacy Leesburg* the Town has contemplated potential moratoria on new development until capacity issues are resolved, or working with Loudoun Water

³⁴⁸ Legacy Leesburg at 120.

to meet demand.³⁴⁹ It would be inconsistent with good public policy and the best interests of the citizens of Leesburg for the Commission to support an annexation of land into the Town that might jeopardize the provision of utility service within the Town or result in expensive and unnecessary upgrades of the Town's utility infrastructure, including its treatment plants. This is especially true where Loudoun Water has the capacity and will be constructing infrastructure through the APA that can provide utility service to the high-demand industrial users.

The Town Council has approved the extension of municipal utility service to the APA pursuant to a series of conditioned resolutions. For Parcels 1 and 2 containing the Walmart and At Home stores, extension of Town water and sewer was approved by the Town Council upon the approval of guarantees for the installation of public improvements by the developers.³⁵⁰ The Council's resolutions approving town service to the industrially zoned parcels in the APA, however, are conditioned to a degree that eliminates reasonable certainty in the provision of utility service.³⁵¹ One critical issue, and relevant to the Commission, is Leesburg's intent to condition utility service for the important Microsoft economic development projects – which greatly benefit the Commonwealth – on such properties being brought into the Town's boundaries.³⁵² The Town Council's approval was later amended to remove the explicit requirement that Microsoft and the County consent to incorporation of Parcel 5 into the Town.³⁵³ Subsequently, however, on March 14, 2023, this annexation-centered contingency was again included in the Town Council's conditional approval of the extension of utility service to the industrial development proposed on

³⁴⁹ Legacy Leesburg at 121.

³⁵⁰ See Leesburg Town Council, Resolution No. 2015-072 (adopted June 23, 2015); Leesburg Town Council, Resolution No. 2015-100 (adopted September 22, 2015).

³⁵¹ See Leesburg Town Council, Resolution No. 2019-180 (adopted November 26, 2019); Resolution No. 2020-066 (adopted May 26, 2020); Resolution No. 2020-089 (adopted Aug. 11, 2020);

³⁵² See Leesburg Town Council, Resolution No. 2020-066 (adopted May 26, 2020) *see also* Leesburg Town Council, Meeting Minutes (May 26, 2020), Item 13(b), at 18.

³⁵³ See Leesburg Town Council, Resolution No. 2020-089 (adopted Aug. 11, 2020); *see also* Leesburg Town Council, Meeting Minutes (Aug. 11, 2020), at 96-98.

Parcel 6 of the APA.³⁵⁴ This Council resolution includes a number of other restrictive conditions on the property, including that:

- Connections to the Town’s utility systems are limited only to domestic supply and discharge needs and not data center air chilling and mechanical processes.
- The cooling systems for the data center cannot be connected to the Town’s water supply or the Town’s sewer system.
- The Town will provide “commissioning water” in certain amounts; however, all discharged water must be stored in tanks on the property and hauled to an appropriate jurisdiction for processing.
- No commissioning water can be handled by the Towns sewer system or the Town’s water pollution control facility.
- The Town will provide certain amounts of “final mechanical water.”³⁵⁵

The Town Council also indicated its intent to enact tax policy by agreement with the applicant for utility service and consent to annexation.³⁵⁶ The Town Council’s consent to provide utility service via conditioned resolution cannot be equated to actually providing the utility service, especially when such services are limited and will only be made available should the landowners consent to being incorporated into the Town’s jurisdiction and, therefore, subjected to additional taxation unrelated to utility service.

³⁵⁴ Leesburg Town Council, Resolution No. 2023-0046, Condition 1(m) (adopted March 14, 2023).

³⁵⁵ See id. at Conditions 1(e), 1(f).

³⁵⁶ Leesburg Town Council, Resolution No. 2023-0046, Condition 1(n) (adopted March 14, 2023); see Leesburg Town Council, Meeting Minutes 22–25 (March 14, 2023).

In the same spirit, on September 13, 2022,³⁵⁷ the Town adopted an ordinance amending its utility regulations to formally leverage its water and sewer service as a tool for annexing property into the Town's tax base.³⁵⁸ Provisions of Leesburg Ordinance No. 2022-O-023, codified as Sections 34.1-114(g) and 34.1-216(g) of the Town Code attempt to ordain an applicant's consent to being brought within the Town's corporate boundaries by boundary line adjustment or annexation.³⁵⁹ Those sections further anoint the Town Council with legislative authority to condition the extension of utility service on a landowner's written consent in recordable form to being brought within the Town's municipal boundaries.³⁶⁰ This inequitable policy allows the Town to perform a crude cost-benefit analysis to determine whether it will receive more revenue from out-of-town utility rates, or additional Town taxes applicable to a certain property or user. This exaction has the potential to stifle investment within the Leesburg JLMA and does not appear to further any utility-based principles or the best interests of properties needing water and sewer within the Town's potential service area.

This is consistent with the Town's apparent intent to use its approval of utility service as a means of selectively deciding, on a tax revenue basis, which parcels the Town will attempt to force into consenting to annexation.³⁶¹ This mode of municipal operation leaves County property owners within the JLMA with two realistic options: (1) consent to being incorporated into the Town and subjected to additional taxation, which is only required by the Town if additional revenue could be wrestled from the property, or (2) forego connection to public utilities, thereby preventing landowners from pursuing the highest and best use of their properties. Fortunately for County

³⁵⁷ This happens to be the same meeting at which the Town Council adopted its resolution approving its plan for this proposed annexation.

³⁵⁸ Town of Leesburg, Ordinance No. 2022-O-23 (adopted Sept. 13, 2022).

³⁵⁹ See Leesburg Town Code Secs. 34.1-114(g), 34.1-216(g).

³⁶⁰ Id.

³⁶¹ Leesburg Town Council, Meeting Minutes 14– 18, Items 13(a) and 13(b)).

residents within the TPA and JLMA (including the APA), Loudoun Water has invested, and continues to invest, in the capacity and infrastructure improvements necessary to provide reliable utility service.³⁶²

In contrast to the Town, and by way of summation of the information provided above, Loudoun Water undoubtedly has the ability to provide utility services to the high demand users in the APA:

- Loudoun Water has no foreseeable capacity limitations.
- Loudoun Water has already begun capacity expansions and infrastructure extensions to serve the APA, as well as other areas of the unincorporated County both within and outside of the Leesburg JLMA.
- Loudoun Water has already secured easements and rights-of-way from Microsoft Corporation for the purpose of installing, constructing, operating, maintaining, and altering a water main, sanitary sewer main, reclaimed water main, and appurtenant facilities through the APA.³⁶³
- The APA remaining in the unincorporated County will allow for users opting for service through Loudoun Water to potentially access the reclaimed water system, which reduces impact on the Commonwealth's natural resources and may benefit users such as the data centers in the APA.

Utility service by Loudoun Water also represents a much lower expense for industrial utility consumers. According to rates effective July 1, 2022, consumption charges for outside-town customers are 40 percent to 52 percent higher than inside-town customers. In FY2024, these rates

³⁶² *See supra.*

³⁶³ Loudoun County Circuit Court Clerk's Office, Deed of Easement and attached plat as Instrument Number 202304060012645.

will increase by 4.5 percent and the percentage difference between inside and outside town rates will remain the same.³⁶⁴

Table 37. Inside-town versus Outside-town Rates (Rates Effective 7/1/2022-6/30/23)³⁶⁵

| | | Inside town | Outside town | Difference |
|--|--|-------------|--------------|------------|
| Commercial customers | Water consumption rate / 1,000 gallons | \$7.58 | \$10.68 | 40.9% |
| | Sewer consumption rate / 1,000 gallons | \$7.50 | \$11.40 | 52.0% |
| Irrigation and cooling tower customers | Water consumption rate (first 240,000 gallons) | \$8.43 | \$11.89 | 41.0% |
| | Water consumption rate (> 240,000 gallons) | \$10.97 | \$15.47 | 41.0% |
| | Sewer consumption rate / 1,000 gallons | \$7.50 | \$11.40 | 52.0% |

Loudoun Water’s usage rates are significantly lower for commercial and industrial users, with a tiered rate based on the reserved capacity purchased at the time availability charges are paid.³⁶⁶ These rates will increase by 3 percent effective January 1, 2024.³⁶⁷

Table 38. Loudoun Water Utility Usage Rates (Effective 1/1/2023-12/31/23)³⁶⁸

| | | Tier 1 ³⁶⁹ | Tier 2 ³⁷⁰ | Reclaimed Water |
|--------------------------------------|--|-----------------------|-----------------------|-----------------|
| Multifamily/ Commercial customers | Water consumption rate / 1,000 gallons | \$3.75 | \$6.44 | \$1.75 |
| | Sewer consumption rate / 1,000 gallons | \$5.59 | \$5.59 | N/A |

³⁶⁴ PFM Report at 30.

³⁶⁵ PFM Report at 30.

³⁶⁶ Loudoun Water, Rates Rules and Regulations (Jan. 1, 2023), [https://go.boarddocs.com/va/lwva/Board.nsf/files/CQYHVK4A536F/\\$file/Board%20-%20Rates%20Rules%20Regs%20-%20Document%20-%20Jan%201%202023%20-%20Carnes%20-%20Jan%201%202023.pdf](https://go.boarddocs.com/va/lwva/Board.nsf/files/CQYHVK4A536F/$file/Board%20-%20Rates%20Rules%20Regs%20-%20Document%20-%20Jan%201%202023%20-%20Carnes%20-%20Jan%201%202023.pdf).

³⁶⁷ See Id.

³⁶⁸ See Id.

³⁶⁹ Tier 1 consumption for multi-family and commercial accounts will be based on the reserved capacity purchased at the time availability charges are paid. When no availability charge has been paid, consumption ranges for multifamily and commercial accounts will be based on the ratio of equivalent residential connections (ERCs) purchased through the meter in relation to a residential account. *Id.* at 5.

³⁷⁰ Tier 2 consumption range for multi-family and commercial accounts will be based on consumption in excess of the reserved capacity purchased at the time availability charges are paid. When no availability charge has been paid, consumption ranges for multi-family and commercial accounts will be based on the ratio of equivalent residential connections (ERCs) purchased through the meter in relation to a residential account. *Id.*

Conclusion

Loudoun Water is only authorized to provide utility service to the unincorporated areas of the County.³⁷¹ Therefore, if the APA is annexed into the Town, the subject properties will be rendered unable to connect to water or sewer service provided by Loudoun Water. For Parcel 5 in particular this has the potential to be incredibly detrimental to the Microsoft Corporation and the best interests of the Town, County, and Commonwealth. In planning to serve large industrial users with greater demands than the Town is capable of responsibly handling, Leesburg is facing capacity limitations that have resulted in the Town allocating utility capacity based on taxation and revenue considerations rather than public policy or good utility principles. The Commission's consideration must focus on the distant horizon and recognize that annexation of the APA is not justified on the basis of current or planned Town utility service, and would, in fact, lead to unnecessary expense for the Town's ratepayers and unnecessarily restrict the service opportunities for property owners in the APA. The County and Loudoun Water have the greater capacity, capability, and experience needed to successfully support and manage large data centers such as those that are and will be located in the APA.

B. Public Planning, Zoning, and Subdivision (1 Va. Admin. Code § 50-20-540(10)(d), (e))

Public Planning

Loudoun has a long and successful history of comprehensive public planning with a focus on responsible growth management for the benefit of the County's residents, economy, and environment. From the onset, the County has viewed its comprehensive plan as an integral part of managing growth considering the development pressures radiating from Fairfax County and the

³⁷¹ See Statement of Policy at 8.

Metropolitan D.C. region.³⁷² As early as Loudoun’s 1956 Comprehensive Plan, addressing the growth demands facing the County from the south and east has been a major policy goal of Loudoun’s long-term planning efforts.³⁷³ For an equally long period of time, the County’s comprehensive planning policies have recognized the special position occupied by the Town of Leesburg in the County’s long-term vision.³⁷⁴ Loudoun has remained steadfast in its commitment to these concepts and policies through the County’s many amendments of its comprehensive planning policies.

Comprehensive Plans in general are meant to be living documents that evolve and adapt to the community’s needs.³⁷⁵ This concept is well-illustrated by the County’s dutiful reevaluation and amendment of its comprehensive planning policies to address the constantly changing environment that has resulted from explosive population growth and its corresponding demands. The 1956 Comprehensive Plan was superseded by adoption of the 1969 Comprehensive Development Plan.³⁷⁶ Between 1979 and 1991, the County’s comprehensive plan consisted of a *Resource Management Plan*,³⁷⁷ a *Rural Land Management Plan*,³⁷⁸ and various area and policy management plans.³⁷⁹ The County’s 1991 General Plan: *Choices and Changes* replaced the 1979 *Resource*

³⁷² See Loudoun County, 1956 Comprehensive Plan 1–2, 9–7 (Apr. 3, 1957), <https://www.loudoun.gov/DocumentCenter/View/149535>.

³⁷³ *Id.* at 15–17.

³⁷⁴ *Id.* at 16–17.

³⁷⁵ Va. Code § 15.2-2230 (“At least once every five years the comprehensive plan shall be reviewed by the local planning commission to determine whether it is advisable to amend the plan.”).

³⁷⁶ Loudoun County Planning Department, 1969 Comprehensive Development Plan (Dec. 2, 1969), <https://www.loudoun.gov/DocumentCenter/View/130243>.

³⁷⁷ Loudoun County Department of Planning and Zoning, Loudoun County Resource Management Plan (May 21, 1979), <https://www.loudoun.gov/DocumentCenter/View/120165>.

³⁷⁸ Loudoun County Department of Planning, Zoning and Community Development, Rural Land Management Plan, (Nov. 5, 1984), <https://www.loudoun.gov/DocumentCenter/View/120166> (as amended Jan. 2, 1991).

³⁷⁹ See Loudoun County Department of Planning, Eastern Loudoun Area Management Plan (Sep. 2, 1980), <https://www.loudoun.gov/DocumentCenter/View/119987> (as amended through November 6, 1996); Loudoun County Department of Planning, Zoning and Community Development, Leesburg Area Management Plan (Nov. 1, 1982), <https://www.loudoun.gov/DocumentCenter/View/119988> (as amended through April 18, 1988); Loudoun County Department of Planning, Dulles North Area Management Plan (Oct. 1985), <https://www.loudoun.gov/DocumentCenter/View/119985> (as amended through Dec. 1993); Loudoun County,

Management Plan and 1984 *Rural Land Management Plan* as the overarching comprehensive planning document and was controlling in the event of policy conflicts with any adopted area plans.³⁸⁰ Between 1991 and 1999, *Choices and Changes* was amended³⁸¹ and supplemented by additional public planning documents, including plans related to transportation,³⁸² greenways and trails,³⁸³ retail commercial development,³⁸⁴ and area management plans for Dulles South³⁸⁵ and the town of Purcellville.³⁸⁶ Recognizing that the County's adopted and amended policies were lagging the unprecedented growth and changes in development experienced by the County between 1991 and 2000, the Board of Supervisors directed the Planning Commission to undertake a comprehensive review of the 1991 General Plan: *Choices and Changes*, the Countywide Transportation Plan, and other policies and plans that together constituted Loudoun's Comprehensive Plan.³⁸⁷ This effort culminated in the adoption of a *Revised General Plan* adopted by the Board of Supervisors on July 23, 2001.³⁸⁸ Again, in response to ongoing development trends

Virginia, [Cub Run Area Management Plan](https://www.loudoun.gov/DocumentCenter/View/119984) (Dec. 19, 1989), <https://www.loudoun.gov/DocumentCenter/View/119984>.

³⁸⁰ See Loudoun County, [Choices and Changes: Loudoun County General Plan 2](https://www.loudoun.gov/DocumentCenter/View/120005) (Sep. 17, 1991), <https://www.loudoun.gov/DocumentCenter/View/120005>.

³⁸¹ See Loudoun County, [Loudoun County Choices and Changes General Plan Amendments](https://www.loudoun.gov/DocumentCenter/View/146225) (Dec. 17, 1991), <https://www.loudoun.gov/DocumentCenter/View/146225>.

³⁸² Loudoun County Board of Supervisors, [Toll Road Plan](https://www.loudoun.gov/DocumentCenter/View/119992) (June 21, 1995), <https://www.loudoun.gov/DocumentCenter/View/119992>; Loudoun County, Virginia, [Countywide Transportation Plan](https://www.loudoun.gov/DocumentCenter/View/122378) (July 5, 1995), <https://www.loudoun.gov/DocumentCenter/View/122378> (Appendix 1: Design Guidelines for Major Roadways Countywide available at <https://www.loudoun.gov/DocumentCenter/View/122377>); Loudoun County, Virginia, [Countywide Transportation Plan Amendment, CPAM 1997-05: Route 50 Corridor Study](https://www.loudoun.gov/DocumentCenter/View/122379) (Dec. 17, 1997), <https://www.loudoun.gov/DocumentCenter/View/122379>.

³⁸³ Loudoun County, [Greenways and Trails Policy](https://www.loudoun.gov/DocumentCenter/View/120156) (Sept. 21, 1994), <https://www.loudoun.gov/DocumentCenter/View/120156>.

³⁸⁴ Loudoun County, [Countywide Retail Policy Plan Amendment](https://www.loudoun.gov/DocumentCenter/View/1201) (Feb. 19, 1997), <https://www.loudoun.gov/DocumentCenter/View/1201> (as amended through Mar. 15, 2011).

³⁸⁵ Loudoun County, Virginia, [Dulles South Area Management Plan](https://www.loudoun.gov/DocumentCenter/View/119986) (Aug. 4, 1993), <https://www.loudoun.gov/DocumentCenter/View/119986>.

³⁸⁶ Loudoun County, [Purcellville Urban Growth Area Management Plan](https://www.loudoun.gov/DocumentCenter/View/120004) (May 17, 1995), <https://www.loudoun.gov/DocumentCenter/View/120004> (as amended through Dec. 18, 2008). Although not relevant to this proceeding, this plan is superseded by [CPAM 2012-0002](https://www.loudoun.gov/DocumentCenter/View/120002) (adopted March 6, 2013), available at <https://www.loudoun.gov/DocumentCenter/View/120002>.

³⁸⁷ See Loudoun County, [Revised General Plan](https://www.loudoun.gov/DocumentCenter/View/1017), Preface-1, Ch. 1 (adopted July 23, 2001, as amended through Sep. 12, 2018) [hereinafter *Revised General Plan*], <https://www.loudoun.gov/DocumentCenter/View/1017>; Loudoun County Board of Supervisors, Minutes of January 5, 2000 Meeting.

³⁸⁸ *Revised General Plan*.

and community needs, the *Revised General Plan* was amended at various times between its adoption and 2019.³⁸⁹ During this time period, Loudoun also adopted a revised *Countywide Transportation Plan*³⁹⁰ and a *Bicycle and Pedestrian Mobility Master Plan*³⁹¹ as complimentary public planning policies.

On June 20, 2019, after thorough review by the Planning Commission and the Board of Supervisors, the County's current comprehensive plan, the *Loudoun County 2019 Comprehensive Plan*, was adopted, consisting of the *Loudoun County 2019 General Plan* (the "General Plan"),³⁹² the *2019 Countywide Transportation Plan* (the "2019 CTP"),³⁹³ and specific strategic and area management plans.³⁹⁴ The General Plan and 2019 CTP superseded most of the Board's previously adopted policies and operate as the controlling public planning documents for the County in its management of the physical development of territory within its jurisdiction.³⁹⁵ This community-based vision for Loudoun's future provides guidance to the County's decision-makers regarding land development, capital improvements, and public programs.³⁹⁶

The General Plan builds on the County's historical growth management strategies by establishing four main land use policy areas for the County (Urban, Suburban, Transition, and

³⁸⁹ See Loudoun County, *Loudoun County Revised General Plan Amendments*, <https://www.loudoun.gov/DocumentCenter/View/32525>.

³⁹⁰ Loudoun County, *2010 Countywide Transportation Plan* (adopted June 15, 2010), <https://www.loudoun.gov/DocumentCenter/View/70764> (as amended through Mar. 6, 2018).

³⁹¹ Loudoun County, *Bicycle and Pedestrian Mobility Master Plan* (Oct. 20, 2003), <https://www.loudoun.gov/DocumentCenter/View/1071>.

³⁹² Loudoun County Board of Supervisors, *Loudoun County 2019 General Plan* (June 20, 2019) a [hereinafter Loudoun General Plan], . <https://www.loudoun.gov/DocumentCenter/View/152285> (as amended through Feb. 7, 2023).

³⁹³ Loudoun County, *2019 Countywide Transportation Plan* (June 20, 2019) [hereinafter 2019 CTP], <https://www.loudoun.gov/DocumentCenter/View/152287> (as amended through Feb. 7, 2023). See *infra* at Sec. 8(II)(K).

³⁹⁴ See *Area/Strategic Plans*, Loudoun County, <https://www.loudoun.gov/1060/Area-Strategic-Plans>.

³⁹⁵ Loudoun General Plan at 1-10, 1-11. Certain enumerated policies continue to apply and were only superseded to the extent that they conflict with the Loudoun General Plan (Comprehensive Plan for the Town of Hamilton (2003), the Round Hill Area Management Plan (1990, as amended), and the Waterford Area Management Plan (1987). The Heritage Preservation Plan (2003, as amended), Route 50 Corridor Design Guidelines (2007), and Strategic Land Use Plan for Telecommunication Facilities (1996)).

³⁹⁶ *Id.*

Rural), as well as several smaller planning areas designated as “Joint Land Management Areas” around the County’s incorporated towns and “Rural Historic Villages” around unincorporated areas of the County that represent distinct planning communities.³⁹⁷ These policy areas are generally described below:

- Urban Policy Areas (UPA) represent a new planning area concept in Loudoun, encompassing approximately 2,600 acres in areas around the Silver Line Metrorail Stations. The two UPAs represent major growth opportunities for Loudoun with mixed-use and transit-oriented place types and development intensity not previously contemplated in the County. The Comprehensive Plan calls for complete urban communities that accommodate housing, employment, retail, education, and entertainment in close proximity to Metrorail. These areas will facilitate opportunities for significant job creation and expansion of the County’s tax base.³⁹⁸
- The 48,000-acre Suburban Policy Area (SPA) comprises the eastern third of the County and is where most of the residential and commercial growth has occurred since the 1960’s. The SPA developed in a traditional suburban pattern with predominantly single-family neighborhoods. From 1990 to 2017, 102,905 housing units were built throughout Loudoun County and over 70 percent of those were built in the SPA. Route 28 and Loudoun County Parkway (Route 607) form the County’s “data center alley,” having evolved into an international leader for global data management, technology, and communications industries. More than 70 percent of all internet traffic is routed through data centers in this policy area. The area around Washington Dulles International Airport is also expected to continue

³⁹⁷ Id. at 1-3–1-6.

³⁹⁸ Id. at 1-4; *see also id.* at 2-26–2-27.

to be a major factor as a key location for industrial uses, airport-related businesses, and data center development.³⁹⁹

- The Transition Policy Area (TPA) is a 24,000-acre area along the western edge of the SPA and is intended to be visually distinct from the SPA and Rural Policy Area (RPA). The area is planned for a diversity of large-lot and clustered residential uses with limited commercial uses to support residents and some industrial spaces focused on quarry activity and energy infrastructure. Public utilities are available in the TPA, though the transportation network is limited in certain places at present time. Large amounts of open space, trails, and parks provide recreational opportunities for residents of the entire County and help to maintain a visual distinction between the more densely populated east and the rural west.⁴⁰⁰
- The western 230,000-acre RPA comprises nearly two-thirds of Loudoun’s land area and contains twelve Rural Historic Villages. This area is planned for limited residential development and supports a robust rural economy. The General Plan includes policies that protect the landscape, economy, and the existing community character of the RPA, emphasizing the preservation of farmland; natural, environmental, and heritage resources; open space; and vistas that are vital aspects of Loudoun’s identity.⁴⁰¹ The RPA is divided into two subareas – the Rural North and the Rural South – and encompasses six of the County’s seven incorporated towns (excepting Leesburg), twelve existing Rural Historic Villages, and numerous smaller crossroad communities.⁴⁰²

³⁹⁹ Id. at 1-4; *see also id.* at 2-40–2-44.

⁴⁰⁰ Id. at 1-5; *see also id.* at 2-66–2-69.

⁴⁰¹ Id. at 1-5; *see also id.* at 2-92–2-97.

⁴⁰² Id. at 2-92, 2-107; *see* Section 3, Map 10 & 11.

- Through the Joint Land Management Areas, the County recognizes the cultural and economic importance of individual towns maintaining their historic character. The General Plan acknowledges, however, that implementation of the past JLMA policies has not created development patterns that reflect the historic character of the towns and recommends future action to review and modify this concept. Each JLMA is tailored to a specific town allowing zoning regulations to offer a range of densities, design guidelines, and utility requirements.⁴⁰³

Utility planning is a critical component to Loudoun’s ability to direct and plan for development. Consistent with these goals, utility service in the UPA, SPA, TPA, and Leesburg JLMA is recommended to be provided through the Loudoun Water Central System, while the General Plan calls for areas in the RPA and rural JLMAs to be served by private, community, or municipal systems.⁴⁰⁴

The intent, form, character, and anticipated uses for development within each policy area are further guided by “Place Types” described in the General Plan.⁴⁰⁵ These Place Types provide County staff, landowners, residents, and developers with an adopted vision for the general scale and form of anticipated growth. Building on the policies adopted as part of the *Revised General Plan*, the General Plan also recognizes that redevelopment, infill, adaptive reuse, and reinvestment must play an increasingly important role in guiding development in order to ensure the sustained health of the County and its towns as these communities continue to mature.⁴⁰⁶

⁴⁰³ See *id.*, at 2-115–2-117.

⁴⁰⁴ *Id.* at 2-129–2-131, 6-20–6-23.

⁴⁰⁵ *Id.* at 1-9, 2-7–2-12 (generally describing Place Types), 2-31–2-39 (Urban Policy Area Place Types), 2-47–2-65 (Suburban Policy Area Place Types), 2-74–2-91 (Transition Policy Area Place Types), 2-107–2-114 (Rural Policy Area Place Types), 2-134–2-146 (JLMA Policy Area Place Types), 2-149.

⁴⁰⁶ See *id.* at 2-17–2-25; see also Revised General Plan, Ch. 6(F).

In addition to the land use policies described above,⁴⁰⁷ the General Plan also identifies policies, strategies, and actions for four other key elements of Loudoun’s long-range planning, which are all interrelated and complementary.⁴⁰⁸

- Natural, Environmental, and Heritage Resources: These policies provide guidance for the protection, maintenance, and enhancement of the County’s abundant natural, environmental, and heritage resources. The policy approach is applicable at multiple geographic scales, from initiatives that may affect these resources countywide, to management of specific watersheds and waterways, to site-level development considerations.⁴⁰⁹
- Housing: Based on the current and anticipated housing environment in Loudoun, these policies aim at ensuring the provision of a full housing continuum for the varied lifestyles, households, ages, cultures, market preferences, incomes, and abilities of Loudoun’s residents.⁴¹⁰
- Economic Development: Accounting for the many challenges and opportunities facing Loudoun in maintaining and advancing its diverse and globally competitive economy, these policies focus on targeted industries, investments, and County initiatives that contribute to Loudoun’s world-class business environment. Focus is given to tying in land use considerations to sustain a diverse, adaptable, and dynamic County economy.⁴¹¹

⁴⁰⁷ See Loudoun General Plan at 1-9, Ch. 2.

⁴⁰⁸ Id. at 1-9–1-10.

⁴⁰⁹ Id. at 1-9, Ch. 3.

⁴¹⁰ Id. at 1-9, Ch. 4

⁴¹¹ Id. at 1-9, Ch. 5.

- Fiscal Management and Public Infrastructure: These policies acknowledge the interrelatedness of land use, growth management, fiscal management, and facilities planning with a goal to ensure the provision of public facilities and utilities, high-quality telecommunications networks, and passive and active recreational amenities in accordance with the County’s larger planning and fiscal policies.⁴¹²

The policies comprising the *Loudoun County 2019 Comprehensive Plan* represent the County’s diligent, highly sophisticated, and strategic approach to public planning. These efforts are continuous as the County is constantly evaluating its policies to adapt to the community’s needs. Illustratively, the Board of Supervisors recently approved the Airport Impact Overlay District⁴¹³ to establish land use policies addressing noise associated with Dulles Airport, and the Red Hill Community Comprehensive Plan Amendment⁴¹⁴ to incorporate certain areas into the TPA. The County has initiated another comprehensive plan amendment as well to develop a Village Plan for the rural, historic village of Saint Louis.⁴¹⁵ The County has been deliberate about the need for ongoing review and supplementation of the General Plan. For example, the General Plan, although controlling policy for land use currently, also establishes the policy boundaries for small area plans to be developed in the future for the Urban Policy Areas, Suburban Policy Area, Transition Policy Area, Leesburg JLMA, and areas surrounding the three Silver Line Metrorail Stations within the County.⁴¹⁶

⁴¹² *Id.* at 1-10, Ch. 6.

⁴¹³ Loudoun County, CPAM-2021-0001 (Jan. 17, 2023), <https://www.loudoun.gov/5657/Airport-Impact-Overlay-District-Update>.

⁴¹⁴ Loudoun County, CPAM-2020-0002 (Feb. 7, 2023), <https://www.loudoun.gov/5794/Red-Hill-Community-Comprehensive-Plan-Am>.

⁴¹⁵ Loudoun County, CPAM-2022-0001 (Jan. 18, 2022), <https://www.loudoun.gov/5795/St-Louis-Village-Plan-Comprehensive-Plan>.

⁴¹⁶ Loudoun General Plan at 6-27–6-31 (Map #2023-062), 7-10–7-37; *see* Va. Code § 15.2-2303.4.

Public Planning for the APA

The APA is in the Leesburg JLMA policy area of the County, which has specific policy considerations unique to its comprehensive planning needs. Within the Leesburg JLMA, the APA is located at intersection with the TPA, essentially representing one of the most critical junctions in the County’s comprehensive plan with the SPA nearby to the east, the RPA nearby to the west, the TPA to the south and the Town of Leesburg to the north.⁴¹⁷ The Place Type for the APA as designated in the General Plan is “Leesburg JLMA Employment,” which provides opportunities for a range of light and general industry uses with no recommended residential or civic uses.⁴¹⁸ As discussed *infra*, the services provided through the County’s Department of Planning & Zoning have already realized development within the APA that is consistent with the General Plan.

Due to the proximity of the Loudoun County Sanitation Authority’s (“Loudoun Water”) central system facilities (the “Central System”), Loudoun Water is planned as the presumed water and wastewater utility provider in the Leesburg JLMA.⁴¹⁹ The current service areas for utility service are illustrated on Map 9 in Section 3. Since April 20, 2004, the County’s comprehensive planning policies have called for the extension of the Central System to serve the TPA.⁴²⁰ In order to serve areas of the TPA immediately abutting the APA to the south and west, Loudoun Water has planned, is designing, and will soon be constructing water and wastewater infrastructure across the APA.⁴²¹ Where land in this area of the County can be served by the Central System, as is true for a significant portion of the APA, there is a presumption that such property remain outside of the corporate boundaries of Leesburg.⁴²²

⁴¹⁷ See Loudoun General Plan at 2-147

⁴¹⁸ *Id.* at 2-134, 2-142–2-143.

⁴¹⁹ *Id.* at 2-129–2-130.

⁴²⁰ See Loudoun County, CPAM-2004-0001 (Apr. 20, 2004), <https://www.loudoun.gov/DocumentCenter/View/32525>.

⁴²¹ See *supra* Sec. 8(II)(A).

⁴²² Loudoun General Plan at 2-131.

Described within *Legacy Leesburg* as part of Opportunity Area No. 4, the Town’s plan designates the APA for “Business and Industrial,” but envisions a development scenario within the APA dramatically different than that currently planned for, and guided into existence by, the County.⁴²³ Leesburg’s long-term plan describes the APA as “a master planned community that includes office, retail, flex industrial, hotel, and supporting land uses.”⁴²⁴ The Town’s policies describe flex spaces as those that “have housed light manufacturing, assembly, warehousing and distribution activities,” but with lower rents and flexibility in space and use, they are “increasingly in demand by a growing innovation economy.”⁴²⁵ The data center development within the industrial zoned portions of the APA is misaligned with the Town’s comprehensive plan. Despite the Town’s efforts to mirror the County’s zoning in preparation for its annexation action,⁴²⁶ Leesburg’s long-term policies are not consistent with the County’s public planning or the approved and County-led development within the APA. Additionally, the pressures of Town’s development patterns could alter the future use of the APA, inconsistent with the comprehensive goals of the County.⁴²⁷

Although the entirety of the APA is already undergoing or approved for development pursuant to the County’s current subdivision and zoning services, because of the APA’s position within the County in relation to these important public planning policies, there is undoubtedly a perpetual need for such services. Loudoun not only has the ability to provide these services in the APA, but has been doing so for over 65 years with the highest level of competence. By contrast to

⁴²³ See *Legacy Leesburg* at 76–77, 80, 202–203.

⁴²⁴ See *id.* at 202.

⁴²⁵ *Id.* at 112.

⁴²⁶ See Notice at 90.

⁴²⁷ See Notice 149–50 n.245.

the data provided in the Notice, the County is best positioned to provide the APA with long-term public planning services consistent with the best interests of the citizens and the Commonwealth.

Subdivision Regulation and Zoning

Loudoun’s comprehensive planning policies are implemented through the County’s development ordinances. In addition to the County’s subdivision and zoning ordinances which are discussed more *infra*, Loudoun also utilizes other ordinances to enact development-related policies, including those related to stormwater management, erosion and sediment control, construction of utilities, preservation of historic properties, protection of agricultural and forestal land, and promotion of affordable housing.⁴²⁸ To assist the public and development community the County also has adopted the *Facilities Standards Manual* which contains information primarily concerned with the design and construction standards and guidelines for improvements related to subdivisions and site plans.⁴²⁹

Zoning

An early adopter of land use regulation, the County’s first zoning ordinance was adopted on September 28, 1942.⁴³⁰ The County’s current zoning ordinance was adopted on June 16, 1993 and is published, as amended through January 17, 2023 as the *Revised 1993 Zoning Ordinance* (the “Zoning Ordinance” or “LCZO”).⁴³¹ The LCZO is appropriately sophisticated considering the diversity of the County’s geography, natural resources, demographics, environmental sensitivities,

⁴²⁸ See Codified Ordinances of Loudoun County, Virginia, 1980, as amended (hereinafter “Codified Ordinances”) Chs. 1040, 1042, 1060, 1066, 1070, 1096, 1220, 1225, 1226, 1450.

⁴²⁹ Loudoun County, *Facilities Standards Manual* (July 1, 2022) [hereinafter *Facilities Standards Manual*], <https://www.loudoun.gov/DocumentCenter/View/113092>.

⁴³⁰ Loudoun County Board of Supervisors, Minutes of Sept. 28, 1942 Meeting, <https://www.loudoun.gov/DocumentCenter/View/159734>.

⁴³¹ See Loudoun County, *Revised 1993 Zoning Ordinance* (June 16, 1993) [hereinafter LCZO], <https://www.loudoun.gov/DocumentCenter/View/99645> (as amended through Jan. 17, 2023). An index of amendments to the 1993 Zoning Ordinance, which are incorporated into the Revised 1993 Zoning Ordinance is available at <https://www.loudoun.gov/DocumentCenter/View/99237>.

infrastructure, economy, and development pressures. Properties within the unincorporated areas of the County can be classified into over forty districts, which allow for the zoning map and the associated regulations of the LCZO to be tailored in accord with good zoning principles.⁴³² The LCZO also utilizes optional overlay districts for the Route 28 corridor,⁴³³ and overlay districts and special regulations to protect areas subject to particular environmental impacts, including floodplains, mountainsides, limestone and Karst terrain areas, and steep slope areas.⁴³⁴ Supplemental to the district regulations, the LCZO requires certain additional standards to be met for particular uses, improvements, and structures having unique impact considerations, or that the County is particularly familiar with, including data centers.⁴³⁵

In addition to all of the specificity and choice built into the districts and regulations themselves, Loudoun allows applicants to take advantage of conditional zoning, which permits landowners to proffer reasonable conditions governing the use of their property supplemental to the regulations provided for in the LCZO.⁴³⁶ This scheme gives landowners and developers – like those in the APA – the opportunity to address the impacts of proposed development in a more tailored way, thereby helping the County more concretely realize its comprehensive plan goals, which also gives the community a higher degree of predictability for the built environment.

To ensure compliance with the LCZO, a zoning permit is required prior to issuance of a building permit, erection of a structure, or commencement/change of a use in the County.⁴³⁷ Use of zoning permits, site plans, special exceptions, and conditional zoning allows for Loudoun to effectively manage and direct development without overburdening the County's landowners,

⁴³² See LCZO, Art. 2, Art. 3, Art. 4, Div. A; *see also* Loudoun County Zoning Map, <https://tinyurl.com/3p657tjf>.

⁴³³ See LCZO, Art. 4, Div. D.

⁴³⁴ See LCZO, Art. 4, Div. C, Sec. 5-1508.

⁴³⁵ See LCZO, Art. 5.

⁴³⁶ LCZO, Secs. 6-1208, 6-1209; *see* Va. Code § 15.2-2303.

⁴³⁷ LCZO, Secs. 6-1000, 6-1002.

businesses, or economy. Loudoun’s land use processes of course recognize the special roles of the Zoning Administrator, Planning Commission, Board of Zoning Appeals, Historic District Review Committee, Board of Supervisors, and, above all, the public.⁴³⁸

The beneficial policies contained in the LCZO, which are too numerous and complex to concisely describe, are ably administered by the County’s Department of Planning and Zoning (“DPZ”). The DPZ, consisting of 78 FTEs, creates, updates, and carries out the community’s comprehensive plan vision for land development and resource preservation. Planners administer the zoning ordinance, which provides property standards as well as other land use regulations to shape development based on the comprehensive plan. The department includes six programs:⁴³⁹

- *Land Use Review* leads the evaluation and processing of legislative land development applications through project management, technical recommendations, and public presentations.
- *Community Planning* oversees the policy development process, including community outreach, and administers and interprets the Comprehensive Plan, including growth management and historic preservation.
- *Customer Service Center* delivers “first-tier” internal and external customer service for the Department; helping residents, staff, elected officials, and applicants navigate the development process and regulations
- *Zoning Administration* administers and interprets Zoning Ordinances, proffers, and special exception conditions.

⁴³⁸ See LCZO, Art. 6. Additional to the required elements of enacting and modifying a zoning ordinance, the Board of Supervisors has created a Zoning Ordinance Committee to support the County’s zoning efforts. See Zoning Ordinance Committee, Loudoun County, <https://onboard.loudoun.gov/board/3616>.

⁴³⁹ Loudoun County, FY2024 Adopted Budget Vol. 1 5-22, 5-28 (July 1, 2023) [hereinafter FY24 Adopted Budget], <https://www.loudoun.gov/DocumentCenter/View/176029>.

- *Zoning Enforcement* ensures that the local Zoning Ordinances, the Virginia Maintenance Code, and designated sections of the Codified Ordinances are effectively, consistently, and fairly enforced.
- *Administration* provides leadership and overall direction to the Department and implements County policies and procedures.

Over the past three fiscal years, DZ has received between approximately 772 and 800 complaints for issues related to the ordinances that it is responsible to oversee and administer. Between 98% and 100% of inspections are conducted within 48 hours of DPZ being notified of the alleged issue.⁴⁴⁰ Despite its heavy caseload, DPZ maintains accountability to the citizens of the County by setting ambitious goals and increasing its level of service.

Following adoption of the *Loudoun County 2019 Comprehensive Plan*, the Board of Supervisors voted to implement the General Plan through a wholesale revision and replacement of the Zoning Ordinance, which is currently underway.⁴⁴¹

Subdivision

The *Land Subdivision and Development Ordinance of Loudoun County, Virginia* (“LSDO”) consists of Chapters 1241 through 1246 of the Codified Ordinances of Loudoun County and the *Facilities Standards Manual*.⁴⁴² The LSDO is read in conjunction with the Zoning Ordinance and establishes subdivision and site plan standards and procedures for nearly all unincorporated areas of Loudoun County, including those within the APA.⁴⁴³ These policies work harmoniously to aid in the implementation of the Comprehensive Plan, guide and facilitate the

⁴⁴⁰ FY24 Adopted Budget at 5-26.

⁴⁴¹ See, *Zoning Ordinance Rewrite*, Loudoun County, <https://www.loudoun.gov/5274/Zoning-Ordinance-Rewrite>.

⁴⁴² Loudoun County, *Land Subdivision and Development Ordinance* (Dec. 6, 2006) [hereinafter LSDO], <https://www.loudoun.gov/DocumentCenter/View/18047>.

⁴⁴³ LSDO, Secs. 1241.03, 1241.04.

orderly, beneficial growth of the County, and promote the public health, safety, convenience, comfort, prosperity, and general welfare. The LSDO details procedures for the submission and approval of plats and plans subject to action by the County following administrative review.⁴⁴⁴ In Loudoun, these plats and plans must meet stringent standards, including those related to lot design, transportation infrastructure, drainage and stormwater treatment, public and private water and sewerage facilities, tree preservation, construction, and development guarantees.⁴⁴⁵ In the event an applicant is dissatisfied with a procedural or substantive decision related to the LSDO, the County provides a right of appeal to the Planning Commission, as well as to the Board of Zoning Appeals for any issues related to the Zoning Ordinance.⁴⁴⁶ This allows affected citizens to pursue administrative remedies related to the LSDO, providing opportunities to reduce costs for the applicant and alleviate burdens on the Circuit Court.

Loudoun's subdivision and development process is managed by its Department of Building and Development ("DBD"). DBD consisting of 206.8 FTEs and oversees all phases of land development throughout the County, including the review and approval of subdivision plans, construction plans, site plans, building plans, the issuance of County building and grading permits, all construction-related inspections, and final occupancy inspections. These functions are managed through six departmental programs:

- *Land Development Planning* provides technical review, processing, approval, and management of land development applications related to the subdivision of property; maintains County records on all land development applications; manages performance and

⁴⁴⁴ LSDO, Ch. 1243, 1244.

⁴⁴⁵ LSDO, Ch. 1245.

⁴⁴⁶ LSDO, Sec. 1242.04.

erosion and sediment control bonds; and provides excellent customer service as DBD's first point of contact for the public.

- *Land Development Engineering* provides detailed technical review, approval, and management of land development applications related to subdivision and road construction, as well as site plans to ensure conformance with all applicable ordinances, standards, and regulations; inspects ongoing and completed construction for compliance with standards, reduction and release of performance bonds, and acceptance of streets into the state system for maintenance.
- *Natural Resources* ensures compliance with applicable federal, state, and local regulations related to natural resources; administers the County's Virginia Stormwater Management Program, including enforcement of erosion and sediment control and stormwater management regulations; administers the Floodplain Management Program based on the current federal guidelines and LCZO Floodplain Overlay District; provides technical assistance and ensures Facilities Standards Manual requirements are met in the soils, geotechnical, geophysical, urban forestry, and wetlands disciplines; provides subject matter expertise regarding zoned sensitive areas such as in the Mountainside Development Overlay District, Limestone Overlay District and steep slopes areas; gathers groundwater data and monitors surface water data from other sources to assist with questions and studies related to the County's water resources.
- *Building Code Enforcement* protects the public's health, safety, and welfare through enforcement of the structural, electrical, mechanical, plumbing, gas, and fire protection standards of the Virginia Uniform Statewide Building Code. Conducts code inspections and code compliance plans review.

- *Permit Issuance* coordinates and schedules inspections; issues building and trade permits for the entire County; and issues zoning permits for property located outside the incorporated towns; manages proffer collection; and provides leadership for the Business Assistance Team (“BAT”).
- *Administration* manages budget, technology, human resources, procurement, and payroll functions; coordinates responses to Freedom of Information Act requests; and ensures the DBD’s compliance with regulations including the Fair Labor Standards Act, Family and Medical Leave Act, and Equal Employment Opportunity.⁴⁴⁷

DBD has an excellent track-record of effectively handling a large volume of work to support the County’s development policies, a few examples being:

- Receiving between 225 and 300 subdivision applications per year over the past ten fiscal years, the vast majority of which receive comment letters within 45 days.⁴⁴⁸
- Receiving nearly 6,000 service requests per staff annually and responding to over 95% of those requests within 24 hours.⁴⁴⁹
- Reviewing and setting up 100% of expedited projects within five days of receipt.⁴⁵⁰
- Conducting over 13,000 erosion and sediment control inspections.⁴⁵¹
- Completing 100% of stormwater management plan reviews and BMP inspections within the timelines established by the Commonwealth.⁴⁵²

⁴⁴⁷ FY24 Adopted Budget, at 5-2–5-3, 5-8.

⁴⁴⁸ Loudoun 2022 Financial Report at 220 (Table Q); Loudoun County, [FY2020 Program Review 5-5](https://www.loudoun.gov/DocumentCenter/View/157892/FY-2020-Program-Review---Loudoun-County) (Nov. 7, 2019) [hereinafter FY20 Program Review], <https://www.loudoun.gov/DocumentCenter/View/157892/FY-2020-Program-Review---Loudoun-County>.

⁴⁴⁹ FY20 Program Review at 5-7.

⁴⁵⁰ FY24 Budget at 5-6.

⁴⁵¹ FY24 Budget at 5-7.

⁴⁵² FY20 Program Review at 5-11.

- Issuing upwards of 60,000 building, trade, and zoning permits per year, all of which are reviewed, set up, and processed quickly.⁴⁵³

Although the development ordinances are necessarily complex, Loudoun makes every effort to make the County’s development process as convenient and transparent as possible by operating customer service centers and hotlines, providing example documents, and making resources available online.⁴⁵⁴ The County also maintains interactive online resources to assist citizens and the development community, including an existing and approved development mapping tool.⁴⁵⁵

The level of planning and zoning services provided by the County vastly exceed those provided by the Town.⁴⁵⁶

Application of the LCZO and LSDO in the APA.

The beneficial result of Loudoun’s efforts to responsibly manage growth and development are well-illustrated by the County’s application of those policies to the properties in the APA. Parcels in the APA are zoned in one of two LCZO districts: Planned Development-Commercial Center (Small Regional Center) (“PD-CC-SC”) and Planned Development-Industrial Park (“PDIP”) as shown on Section 3, Map 1A. Three parcels on the east side of Compass Creek Parkway and located in the northeast corner of the APA are zoned PD-CC-SC and identified as Parcels 1, 2, and 3 on Map 1A, further specified as PIN 234-39-2601 (20.55 acres), PIN 234-29-0522 (1.50 acres), and PIN 234-29-4515 (10.43 acres).

⁴⁵³ FY24 Budget at 5-7; FY20 Program Report at 5-15–5-16.

⁴⁵⁴ See Land Development Process Overview, Loudoun County, <https://www.loudoun.gov/4803/Land-Development-Process-Overview>; Planning & Zoning, Loudoun County, <https://www.loudoun.gov/123/Planning-Zoning>.

⁴⁵⁵ Loudoun Existing & Approved Development Mapping Tool, Loudoun County, <https://loudoungis.maps.arcgis.com/apps/webappviewer/index.html?id=6f5269d45b6945648a1ad65e6585c3c9>.

⁴⁵⁶ See Notice at 82-83.

The PD-CC-SC district is intended to “permit the development of small regional centers consisting of individual large and small scale commercial uses selling a broad range of goods or services to a market area beyond the local community.”⁴⁵⁷ The remainder of the acreage in the APA is zoned PDIP, consisting of parcels identified as Parcels 4, 5, and 6, further specified as PIN 234-38-2596-001 (27.98 acres), 234-19-2469 (1.40 acres), and 235-29-7431 (323.38 acres). The purpose of the PD-IP district is to allow “light and medium industrial uses, office uses, and necessary supporting accessory uses and facilities, designed with a park-like atmosphere to complement surrounding land uses by means of appropriate siting of buildings and service areas, attractive architecture, and effective landscape buffering.”⁴⁵⁸

The current zoning of the APA is the result of three major legislative actions by the Loudoun County Board of Supervisors:⁴⁵⁹

- ZMAP-2008-0009, *Leesburg West JLMA* – On October 21, 2008, the Board approved a proposal to rezone approximately 437.49 acres to the PD-IP zoning district. The rezoning was initiated by the Board following approval of Comprehensive Plan Amendment (CPAM)-2006-0002 which planned for office and industrial uses located south of the Town on the east side of the Dulles Greenway.
- ZMAP-2012-0021, *Crosstrail Commercial Center*⁴⁶⁰ – On December 4, 2013, the Board approved a request to rezone approximately 58 acres from the PD-IP district (as previously zoned by ZMAP-2008-0009) to the PD-CC-SC zoning district. The approval permitted up to 550,000 square feet (SF) of retail uses, up to 100,000 SF of office uses, an automotive

⁴⁵⁷ LCZO at Sec. 4-202(C).

⁴⁵⁸ LCZO at Sec. 4-501.

⁴⁵⁹ See Loudoun Online Land Applications, Loudoun County [hereinafter LOLA], <https://www.loudoun.gov/3362/LOLA> (click “searchable list” and then search for ZMAP-2021-0012) (staff report).

⁴⁶⁰ This approved development also included other legislative approvals. See LOLA (click “searchable list” and search: SPEX-2012-0047, SPEX-2012-0048, SPEX-2012-0049, SPMI-2013-0008, and ZMOD-2013-0002).

service station with convenience store, an outdoor sales area, a hotel in a PD-IP portion of the development, and modifications to the zoning development standards. Approximately 17.95 acres of PIN 234-38-2596 remained in the PD-IP zoning district as previously zoned by ZMAP-2008-0009.

- ZMAP-2021-0012, *Compass Creek Section 4* – On September 14, 2022 the Board of Supervisors approved a request to rezone an approximately 10.03 acre portion of PIN 234-38-2596 from PD-CC-SC (as previously zoned by ZMAP-2012-0021) to PD-IP. This rezoning brought the entire 37.98 acre portion of the property located in the County into the PD-IP zoning district, permitting it to develop with a mixture of employment uses such as office, flex industrial, research and development, manufacturing, and data center uses.

A non-exhaustive list of the development plans for the APA requiring County review and approval are summarized in the table below.

Table 39. County Zoning and Development Plans in the APA

| Parcel (Owner) | PIN | Zoning | Subdivision Plat | Plan Sets |
|------------------------|-------------|----------------------------|------------------|---|
| 1 (Walmart) | 234-39-2601 | PD-CC-SC ZMAP-2012-0021 | 2020-0105 | ZMOD-2013-0002; ZCOR-2014-0239; STPL-2014-0049; ZCOR 2014-0239; CPAR-2016-0009; SPAM-2016-0127; SPAM-2018-0023; SPAM-2018-0067; ZCOR-2018-0261; CPAP-2020-0027 |
| 2 (At Home) | 234-29-4515 | PD-CC-SC ZMAP-2012-0021 | 2020-0004 | STPL-2018-0055; SPAM-2020-0003; SPAM-2020-0076 |
| 3 (CC Outparcel LC) | 234-29-0522 | PD-CC-SC ZMAP-2012-0021 | 2020-0004 | STPL-2023-0023 |
| 4 (Vernal Pool) | 234-19-2469 | PD-IP ZMAP-2008-0009 | 2018-0235 | |

| | | | | |
|---|-------------|---|-----------|---|
| 5 (Microsoft) | 235-29-7431 | PD-IP ZMAP-2008-0009 | 2020-0288 | CPAP-2019-0029; CPAP-2020-0027; CPAR-2019-0017; CRCP-2021-0002; DEDI-2020-0001; DEDI-2020-0002; DEDI-2020-0057; DEDI-2023-0001; DEDI-2023-0021; ESMT-2020-0003; ESMT-2020-0052; ESMT-2021-0075; FPAL-2020-0017; FPAL-2021-0014; FPST-2019-0014; FPST-2020-0007; STMP-2019-0010; STMP-2020-0018; STMP-2022-0002; STMP-2023-0004; VSMP-2019-0107; WAIV-2020-0021; ZCOR-2022-0098; ZCOR-2022-0292; ZMAP-2008-0009; |
| 6 (Leesburg Commercial) (Peterson / Stack) and BMP | 234-38-2596 | PD-IP ZMAP-2021-0012 ZMAP-2009-0009 | 2022-0076 | PRAP-2021-0022; ESMT-2022-0053; ESMT-2023-0012; ZCOR-2023-0079 STPL-2023-0004 |

Parcel 1 is a 20.55-acre parcel located at 19360 Compass Creek Parkway.⁴⁶¹ On the parcel is a single-story, 194,328-square-foot Walmart built-in 2019 with total taxable value of \$18,136,480 and owned by Walmart Real Estate Business Trust.⁴⁶² It is currently zoned PD-CC-SC, subject to the conditions and proffers in ZMAP 2012-0021.⁴⁶³ There have been several minor

⁴⁶¹ Records for PARID: 234392601000, Loudoun County, <https://reparcelamt.loudoun.gov/pt/search/commonsearch.aspx?mode=parid>.

⁴⁶² Id.

⁴⁶³ Id.

changes and adjustments to the location of the various proffers; however, the overall project and the nature of the zoning have remained the same since ZMAP 2012-0021.⁴⁶⁴

Parcel 2 is a 10.43-acre property located at 19460 Compass Creek Parkway.⁴⁶⁵ On it is a single-story, 88,296-square-foot At Home store, built in 2021, with a total taxable value of \$9,355,850.⁴⁶⁶ Realty Income Properties 18 LLC owns the property.⁴⁶⁷ It is currently zoned PD-CC-SC, subject to ZMAP 2012-0021's conditions and proffers.⁴⁶⁸ Much like Parcel 1, Loudoun and the owner have made several minor changes and adjustments to the location of the various proffers, but the overall project and the nature of the zoning have remained the same since ZMAP 2012-0021.⁴⁶⁹

Parcel 3 is 1.5 acres of vacant land, owned by CC Outparcel LC, with a total taxable value of \$816,800.⁴⁷⁰ It is zoned PD-CC-SC and is subject to the proffers and conditions identified in ZMAP 2012-0021.⁴⁷¹ The property is currently vacant, but Loudoun has received a site plan for a Wendy's fast-food restaurant.⁴⁷²

Parcel 4 is the vernal pool required in proffer I.C.8 of ZMAP 2012-0021.⁴⁷³ The adjacent properties maintain it and there are no current plans to develop it.⁴⁷⁴

⁴⁶⁴ See, LOLA (click on "searchable list" and search CPAP-2014-0034).

⁴⁶⁵ Records for PARID: 234382596001, Loudoun County, <https://reparcelasmt.loudoun.gov/pt/search/commonsearch.aspx?mode=parid>.

⁴⁶⁶ Id.

⁴⁶⁷ Id.

⁴⁶⁸ Id.

⁴⁶⁹ See LOLA (click on "searchable list" and search ZCOR-2022-0140).

⁴⁷⁰ Records for PARID: 234290522000, Loudoun County, <https://reparcelasmt.loudoun.gov/pt/search/commonsearch.aspx?mode=parid>.

⁴⁷¹ Id.

⁴⁷² LOLA (click on "searchable list" and search for STPL-2023-0023).

⁴⁷³ Records for PARID: 234192469000, Loudoun County, <https://reparcelasmt.loudoun.gov/pt/search/commonsearch.aspx?mode=parid>; LOLA (click on "searchable list" and search for ZMAP-2012-0021 and go to the Proffer Statement dated December 2, 2013).

⁴⁷⁴ LOLA (click on "searchable list" and search for ZMAP-2012-0021 and go to the Proffer Statement dated December 2, 2013 and go to item I.C.8).

Parcel 5 is Microsoft Corporation's 323.38-acre property at 19540 Compass Creek Parkway.⁴⁷⁵ It has a total taxable value of \$193,587,110.⁴⁷⁶ The property is zoned PD-IP and is subject to the proffers identified in ZMAP-2021-0012; Microsoft has also assumed some of the conditions in ZMAP 2012-0021.⁴⁷⁷ Microsoft is developing the property into a Data Center Campus. To date, Loudoun has approved applications for two one-story data centers of 166,857 sq. ft. and 106,767 sq. ft.;⁴⁷⁸ for two data centers with a combined footprint of 475,600 sq. ft.;⁴⁷⁹ and a two-story data center of 282,050 sq. ft.⁴⁸⁰ Loudoun has approved or is actively considering numerous storm drain, trail, and floodplain easements in connection with these developments.⁴⁸¹ An application for a sixth data center, to be sized approximately 285,269 sq. ft., is currently under consideration.⁴⁸² Loudoun is also considering a request to extend Crosstrail Boulevard from Sycolin Road to the Dulles Greenway, which includes adding approximately 3000 feet of new roadway and a bridge that spans over the south tributary to Sycolin Creek.⁴⁸³

Parcel 6 is an approximately 31-acre property owned by Leesburg Commercial LC with a current site plan application for industrial development consisting of approximately 305,000 square feet of data centers.⁴⁸⁴ Parcel 6 was recently rezoned PD-IP, with proffers, pursuant to ZMAP-2021-0012 approved by the Board of Supervisors on September 14, 2022.⁴⁸⁵ The proffers accepted by the Board of Supervisors include commitments by the landowner to certain impact

⁴⁷⁵ Records for PARID: 235297431000, Loudoun County, <https://reparcelasmnt.loudoun.gov/pt/search/commonsearch.aspx?mode=parid>.

⁴⁷⁶ Id.

⁴⁷⁷ Id.; see also proffer allocation agreement dated September 30, 2018, and recorded in Instrument Number 20180921-0055384.

⁴⁷⁸ LOLA (click on "searchable list" and search for STMP-2019-0010).

⁴⁷⁹ LOLA (click on "searchable list" and search for STMP-2020-0018).

⁴⁸⁰ LOLA (click on "searchable list" and search for STMP-2022-0002).

⁴⁸¹ See LOLA (click on "searchable list" and search for DEDI-2020-0001; DEDI-2020-0002; DEDI-2020-0057; ESMT-2020-0003; ESMT-2020-0052; ESMT-2021-0075; DEDI-2023-0001; DEDI-2023-0021).

⁴⁸² LOLA (click on "searchable list" and search for STMP-2023-0004).

⁴⁸³ LOLA (click on "searchable list" and search for CRCP-2021-0002; DEDI-2023-0001; DEDI-2023-0021).

⁴⁸⁴ LOLA (click on "searchable list" and search for STPL-2023-0004).

⁴⁸⁵ LOLA (click on "searchable list" and search for ZMAP-2021-0012).

mitigation, including (i) consistency with certain design elements and architectural elevations, (ii) the installation of pedestrian trail and outdoor amenities open to the public, (iii) construction of bus shelter, (iv) dedication of buffers along the Dulles Greenway and Compass Creek Parkway, (v) installation of intersection improvements at the intersection of Compass Creek Parkway and the Dulles Greenway exit ramp.⁴⁸⁶ Consistent with the original zoning approval, ZMAP-2012-0021, the owner continued the commitment to extend public water and sewer facilities to serve the property, as well as to construct and dedicate a segment of Compass Creek Parkway consisting of a four-lane divided road within a ninety-foot right-of-way, at no public costs, extending from Battlefield Parkway to Parcel 5. The County and the owner have engaged in various modifications to the zoning to address the placement and need for a stormwater easement and the preferred amenity space identified in ZMAP 2021-0012.⁴⁸⁷ Loudoun Water is currently planning for the design and construction of a sewer outfall and water transmission main to serve this property.⁴⁸⁸

Loudoun provides a premier level of public planning, zoning, subdivision, and development management services. The County's ability to provide these services within the APA is clearly evidenced by the well-planned and managed development that has occurred in that area. The entirety of the APA is planned and prepared for development, much of which is completed or underway. The extent of the services provided by the Town was commenting on rezoning applications in accordance with the JLMA policies and adopting ordinance provisions that mirror those developed and enacted by the County to further its desire for annexation.⁴⁸⁹ The County will, of course, continue to involve the Town in the policy and application review process as appropriate

⁴⁸⁶ See LOLA (click on "searchable list" and search for ZMAP-2021-0012, and review the Proffer Statement dated August 31, 2022).

⁴⁸⁷ See, LOLA (click on "searchable list" and search for ESMT-2023-0013; PSUB-2023-0009; ZCOR-2023-0079).

⁴⁸⁸ LOLA (click on "searchable list" and search for ZMAP-2021-0012, and review the Loudoun Water Comment Letter dated Sept. 24, 2021); see *supra* Sec. 8(II)(A); see also Appendix C.

⁴⁸⁹ Notice at 86, 90. See Leesburg Town Council Resolution No. 2019-122 (Adopted Aug. 13, 2019, amended Oct. 15, 2019).

to ensure that development within the Leesburg JLMA is consistent with both the County and Town’s vision for this area of the County. Loudoun is, however, best able to provide these services in the APA, now and in the future.

The fact that no residential uses are contemplated or currently permitted in the APA has a significant impact on the need for other urban services in this area. As discussed *infra*, the County is already providing most of the relevant services to the APA and is best positioned to do so.

C. Road Improvements and Maintenance (1 Va. Admin. Code § 50-20-540(10)(j), (l), (m), (n))

Loudoun has long maintained a comprehensive Countywide Transportation Plan to assist with land use and infrastructure planning. Following decades of small area plans for specific portions of the County beginning in the 1960s, the first Countywide Transportation Plan (“CTP”) was adopted in 1995. This plan focused heavily on creating mobility to support planned suburban development.⁴⁹⁰ As Loudoun County has grown and developed, its transportation needs have evolved. In its most recent iteration, the 2019 CTP seeks to provide access and mobility for residents, workers, and visitors; protect and enhance health and safety through design and construction; and promote quality of life by protecting the integrity of the various policy areas and incorporated towns as they relate to the transportation network.⁴⁹¹

Roads in and connecting to the APA, including the construction of the rights-of-way now known as Compass Creek Parkway and Crosstrail Boulevard, have been shown on the County’s Transportation Plan for decades.⁴⁹² Loudoun County is presently planning and administering road projects that will benefit the APA and provide increased connection to the County’s road network,

⁴⁹⁰ See 2019 CTP.

⁴⁹¹ Id.

⁴⁹² See Loudoun County, 1995 Countywide Transportation Plan 27 (July 5, 1995), <https://www.loudoun.gov/DocumentCenter/View/122378/1995-Countywide-Transportation-Plan?bidId=> (Figure 3).

including improvements to Crosstrail Boulevard and Sycolin Road. As discussed *infra*, Loudoun County is working closely with Microsoft to ensure the property is responsibly developed.

Currently, on the south end of Parcel 5, which is Microsoft Corporation’s 323.38-acre property, Crosstrail Boulevard ends at its intersection with Sycolin Road. Loudoun County is working to extend Crosstrail Boulevard from Sycolin Road to the Dulles Greenway, which includes adding approximately 3000 feet of new roadway and a four-span bridge over the south tributary to Sycolin Creek.⁴⁹³ This important project benefitting the APA is estimated to be complete by 2027 and will be in the right-of-way phase through Fall 2023.⁴⁹⁴ Additionally, Loudoun County has approved and will be administering the widening of Sycolin Road from Loudoun Center Place down to Crosstrail Boulevard.⁴⁹⁵ This \$32,860,000 project is expected to be completed by fiscal year 2030.⁴⁹⁶ Widening Sycolin Road will provide better connections to the east without necessarily adding to the congestion of Route 50.⁴⁹⁷ Loudoun has approved or is actively considering numerous storm drain, trail, and floodplain easements in connection with these developments.⁴⁹⁸

When considering street maintenance in the APA, streetlights are a positive factor in traffic control, pedestrian safety, and crime prevention. Currently there are two electric distributors in Loudoun County, Dominion Energy (“Dominion”) and Northern Virginia Electric Cooperative (“NOVEC”). The streetlights in Loudoun County are owned by the county, by NOVEC, or by

⁴⁹³ See LOLA (click on “searchable list” and search for CRCP-2021-0002; DEDI-2023-0001; DEDI-2023-0021); See also Sec. 3, Map 1 (showing planned Crosstrail Boulevard Segment C).

⁴⁹⁴ Crosstrail Boulevard - Sycolin Road to the Dulles Greenway, Loudoun County, <https://www.loudoun.gov/5592/Crosstrail-Boulevard---Sycolin-Road-to-t>.

⁴⁹⁵ 2 Loudoun County, FY 2023 Adopted Budget 10-77 (2022) [hereinafter FY2023 Adopted Budget, Vol. 2], <https://www.loudoun.gov/DocumentCenter/View/170613/FY-2023-Adopted-Budget---Volume-2>.

⁴⁹⁶ Id.

⁴⁹⁷ Loudoun General Plan at 2-68.

⁴⁹⁸ See LOLA (click on “searchable list” and search for DEDI-2020-0001; DEDI-2020-0002; DEDI-2020-0057; ESMT-2020-0003; ESMT-2020-0052; ESMT-2021-0075; DEDI-2023-0001; DEDI-2023-0021).

Dominion. As of 2018, Loudoun County owned 909 streetlights, NOVEC owned 154, and Dominion owned 565.⁴⁹⁹ Loudoun County also has a history of sharing the cost of installing new streetlights with unincorporated rural communities, subsidizing two thirds of the costs.⁵⁰⁰

In a 2019 Board of Supervisors Business Meeting, the Board identified that Loudoun County aims to ensure “revitalization initiatives and redevelopment, infill development, and adaptive reuse projects... through resources and incentives for the provision of community amenities including streetscape improvements and street lighting.”⁵⁰¹ The Loudoun County 2019 Comprehensive Plan also identifies contextual street lighting policies for each of the County’s policy areas; urban, suburban, transition, and rural.⁵⁰² Consistent with the Comprehensive Plan, Loudoun County has been working to expand county-owned streetlighting, including promulgating technical standards for the lights, creating a service district for the lights, and surveying areas without sufficient street lighting (the “LED Streetlight Program”).⁵⁰³

Chapter 7.1 of the Loudoun County Facilities Standards Manual (“FSM”) establishes standards applicable to lighting in subdivision and/or site plan development. The purpose behind these standards is to “improve the quality and effectiveness of night-time lighting, protect the night sky, provide glare reduction, minimize light trespass, and conserve energy and resources, while maintaining night-time safety, utility, security and productivity.”⁵⁰⁴

⁴⁹⁹ See, Loudoun County, Finance/Government Operations and Economic Development Committee Report: Response to Board Member Initiative: Proposed County Street Lighting Program (July 18, 2019) [hereinafter July 18, 2019 Action Item],

https://loudoun.granicus.com/MetaViewer.php?view_id=74&clip_id=6010&meta_id=164288.

⁵⁰⁰ Id.

⁵⁰¹ Id.

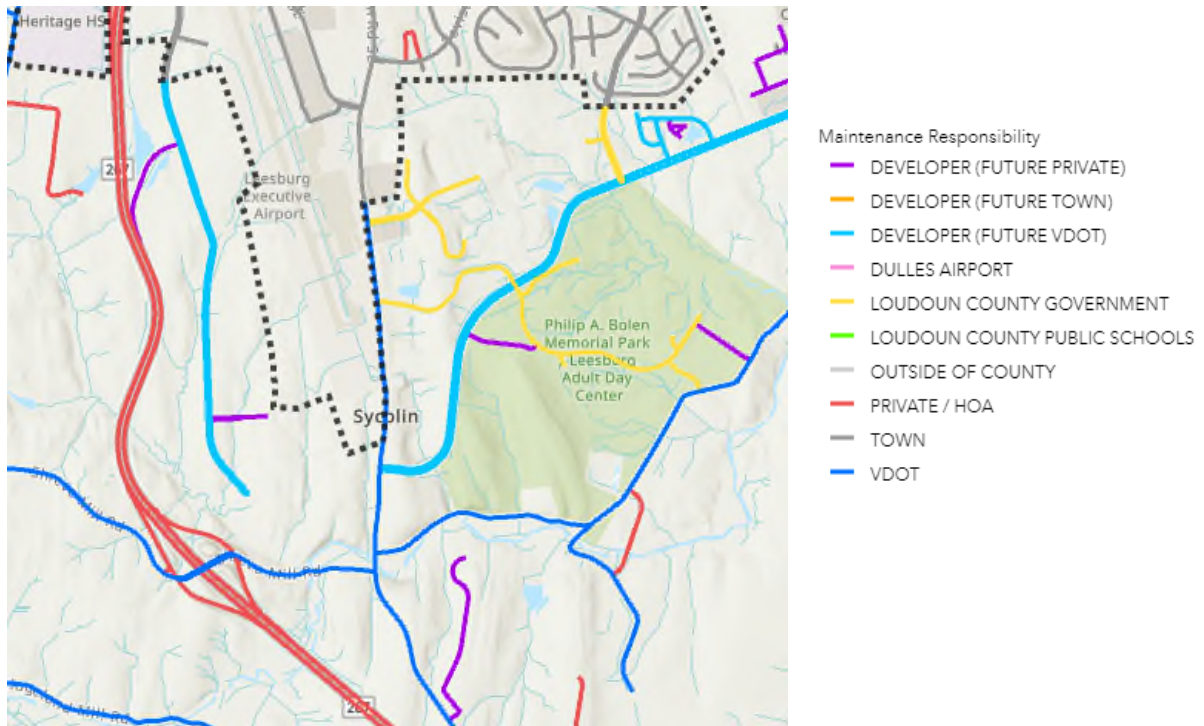
⁵⁰² See generally Loudoun General Plan at Appx. A.

⁵⁰³ July 18, 2019 Action Item.

⁵⁰⁴ Facilities Standards Manual at Section 7.100.

While curbs, gutters, and sidewalks in the APA will be maintained by a combination of VDOT and private developers (see Figure below), Loudoun County remains actively involved in the planning and development of these improvements.

Figure 29. Current Road Maintenance in the APA⁵⁰⁵



Loudoun County works closely with VDOT and with other key entities in the identification and implementation of transportation projects. This will make for a seamless relationship between the developers of the APA, Loudoun County, other private companies, and VDOT. Because the APA is zoned for commercial and industrial use, and is currently under development, it is critical that the local government responsible for this area have these relationships in place already.

Pursuant to Loudoun County local regulations, Loudoun County Department of Planning and Zoning is responsible for enforcing local regulations requiring snow and ice removal on streets

⁵⁰⁵ Loudoun County, Loudoun County Road Maintenance Map (current as of May 2023) [hereinafter Loudoun County Road Maintenance Map], <https://www.arcgis.com/apps/webappviewer/index.html?id=0626720fdd1e44aebdf2e438133b0a4d&extent=-8628075.3104,4728866.4157,-8623431.7609,4731486.7726,102100>.

and sidewalks.⁵⁰⁶ Thus, if the APA were to be incorporated into the Town, while it would not change the fact that privately maintained curbs, gutters, and sidewalks would be the responsibility of private companies, those within the VDOT system would be maintained by the Town. However minimal,⁵⁰⁷ this represents an unnecessary expense on the Town's taxpayer and may, impact the local regulations that ensure private citizens keep public areas safe.

Loudoun County has created an interactive online tool to help its residents determine who is responsible for maintaining each road in Loudoun County.⁵⁰⁸ Typically, snow removal falls to VDOT, private HOAs, or other private entities such as developers.⁵⁰⁹

For the APA, areas outside of the dedicated right-of-way will be maintained by private parties as their maintenance, including snow removal, is not a public responsibility. Loudoun County provides links and other information from VDOT to its citizens in an effort to facilitate better access.⁵¹⁰ For example, Loudoun County provides a link to the VDOT Plow Tracker, a list of HOAs with websites, and Loudoun County resources.⁵¹¹

In its General Plan, Loudoun has committed to collaborating on matters of common interest, including participating as a partner in negotiations with VDOT and other agencies for road maintenance, safety improvements, and traffic calming.⁵¹² Loudoun County also committed funding in its budget for Land Development Engineering, which has many jobs, including acceptance of streets into the state system for maintenance.⁵¹³ In FY 2023, Loudoun County had

⁵⁰⁶ See Loudoun County Code of Ordinances §§ 1022.01, 1022.99.

⁵⁰⁷ See PFM Report at 29.

⁵⁰⁸ Loudoun County Road Maintenance Map.

⁵⁰⁹ See *id.*

⁵¹⁰ See *e.g.*, Road Maintenance, Loudoun County, <https://www.loudoun.gov/3919/Road-Maintenance-Information>.

⁵¹¹ *Id.*

⁵¹² Loudoun General Plan at 2-116

⁵¹³ Loudoun's FY2024 Proposed Budget at 5-2.

a budget of \$3,830,766 for Land Development Engineering.⁵¹⁴ Between 2021 and 2025, Loudoun County is projected to spend \$18,371,867 on Land Development Engineering.⁵¹⁵

Properly designed and installed curbs, gutters, and sidewalks are important to routing stormwater runoff.⁵¹⁶ Runoff would otherwise contribute to erosion, damaging pavement and property edges.⁵¹⁷ Sidewalks also make an area more pedestrian friendly. VDOT maintains regulations regarding the dimensions and construction of curbs, gutters and sidewalks that apply to public roadways.⁵¹⁸

Loudoun County has a Sidewalk and Trail Program, designed to address missing bicycle and pedestrian links within the County.⁵¹⁹ This program allows for proactive and systematic programming for planning, design, and construction of projects to complete these ‘missing links.’

Further recognizing the importance of structures like curbs, gutters, and sidewalks in all areas, Loudoun County has also enacted ordinances and promulgated a Facilities Standards Manual that set out County requirements for private property within Loudoun County.⁵²⁰ This ensures that a business development such as the APA will be constructed with the public in mind. As set out in broad terms in the Loudoun County Facilities Standards Manual, “[s]idewalks shall be placed within the public access easements.”⁵²¹ Private roadways must have either a curb and gutter section or a shoulder section, depending on the area of roadway.⁵²² The Facility Standards

⁵¹⁴ 1 Loudoun County, FY 2023 Adopted Budget (2022) [hereinafter FY2023 Adopted Budget, Vol. 1], <https://www.loudoun.gov/DocumentCenter/View/170612/FY-2023-Adopted-Budget---Volume-1>.

⁵¹⁵ Loudoun FY24 Proposed Budget Vol. 1 at 5-8.

⁵¹⁶ See Facilities Standards Manual.

⁵¹⁷ Erosion & Sediment Control, Loudoun County, <https://www.loudoun.gov/1217/Erosion-Sediment-Control>.

⁵¹⁸ See generally Appendix B - Subdivision Steet Design Guide, Virginia Department of Transportation, <https://www.virginiadot.org/projects/resources/appendb.pdf>.

⁵¹⁹ Sidewalk and Trail Program, Loudoun County, <https://www.loudoun.gov/5754/Sidewalk-and-Trail-Program>.

⁵²⁰ See Facilities Standards Manual.

⁵²¹ Facilities Standards Manual at Section 4.300.

⁵²² Id. at 4.200.

Manual goes in to great detail, ensuring that the land itself is taken care of while keeping the area safe for visitors.

D. Storm Drains (1 Va. Admin. Code § 50-20-540(10)(k))

Loudoun County has a long history of commitment to sustainable management of its water resources.⁵²³ Loudoun County has a municipal separate storm sewer system and has an MS4 General Permit.⁵²⁴ As a permittee, Loudoun County has a high commitment to safely routing and segregating stormwater to maintain water quality.

Chapter 1096 of the Loudoun County Codified Ordinances defines and mandates stormwater maintenance responsibilities.⁵²⁵ Consistent with this Chapter and Va. Code §§ 62.1-44.15:25 *et seq.*, Loudoun County implemented a Stormwater Management Program (“SMP”), which is administered by the Department of General Services. The SMP addresses the design, development, improvement, operation, inspection, maintenance, and oversight of the County’s stormwater management system.⁵²⁶ It is discussed in more detail in Section 9 *infra*.

As part of the Loudoun Phase II Bat TMDL action plan, the County has self-initiated stormwater quality retrofit projects.⁵²⁷ As part of the same plan, the County has also implemented an Illicit Discharge Detection and Elimination (IDDE) program designed to prevent, identify, and eliminate sources of pollutants, including nutrients and sediment.⁵²⁸ The County also implemented

⁵²³ See Section 9 *infra*.

⁵²⁴ For a greater discussion of Loudoun County’s MS4 permit, see Section 9 *infra*.

⁵²⁵ Loudoun County Code of Ordinances, Chpt. 1096, https://codelibrary.amlegal.com/codes/loudouncounty/latest/loudounco_va/0-0-0-9717.

⁵²⁶ Loudoun General Plan at 3-12–3-14.

⁵²⁷ Loudoun County, Phase II Chesapeake Bay TMDL Action Plan 2022 Update 15 (Mar. 6, 2022) [hereinafter Chesapeake Bay TMDL Action Plan 2022 Update], https://www.loudoun.gov/DocumentCenter/View/157709/Loudoun-Phase-II-Bay-Total-Maximum-Daily-Load-TMDL-Action-Plan_2022-Update_Final-3-6-22-PDF?bidId=.

⁵²⁸ Chesapeake Bay TMDL Action Plan 2022 Update at 6.

a stormwater runoff control program (through the Erosion Control Ordinance) consistent with the Virginia Stormwater Management Act and other regulations.⁵²⁹

Because stormwater runoff from the APA funnels into tributaries within the unincorporated County, Loudoun has an interest in maintaining and policing stormwater drainage to ensure that businesses within the APA are complying with county, state, and federal regulations. Keeping the APA within Loudoun County will ensure that Loudoun County can control and manage the treatment of water flowing from the APA into Lower Goose Creek.⁵³⁰ “Control of the quality and quantity of the runoff is essential to the overall health of our people and our natural resources.”⁵³¹

If residents have a complaint regarding stormwater, they are encouraged to call the county at a specific complaint phone number, complete a stormwater request on Lex (Loudoun Express Request), an online complaint reporting portal, or send an email to the Stormwater Team.⁵³²

E. Crime Prevention and Detection (1 Va. Admin. Code § 50-20-540(10)(f))

The Loudoun County Sheriff’s Office (“Sheriff”) is responsible for the delivery of all law enforcement services in unincorporated Loudoun County. The Sheriff is well-staffed, well-funded, and well-organized, having the distinction as the largest full-service sheriff’s office in Virginia.⁵³³ About 80% of the Sheriff’s operating budget is funded by local tax funding and the other 20% is funded by programmatic and intergovernmental revenue.⁵³⁴ In fiscal year 2022, the Sheriff had

⁵²⁹ Id.

⁵³⁰ See Section 3, Maps 1B, 12 & 13; See generally, Watersheds, Loudoun County, <https://www.loudoun.gov/1512/Watersheds>.

⁵³¹ Stormwater Management Program, Loudoun County, <https://www.loudoun.gov/686/Stormwater-Management-Program>.

⁵³² Id.

⁵³³ International Associate of Chiefs of Police, Analysis of Potential Conversion from Sheriff’s Office to County Police Department 56 (Mar. 2022) [hereinafter IACP Report], https://loudoun.granicus.com/MetaViewer.php?view_id=86&event_id=3366&meta_id=209147.

⁵³⁴ 1 Loudoun County, FY 2024 Proposed Budget 2-59 (2023) [hereinafter Loudoun FY24 Proposed Budget Vol. 1], <https://www.loudoun.gov/DocumentCenter/View/173744/FY-2024-Proposed-Budget---Volume-1>.

804.49 FTEs, an increase from FY2021 staffing levels.⁵³⁵ The Sheriff’s annual operational budget for 2022 was \$104,221,765, which compared favorably with the combined police and sheriff budgets of other Northern Virginia localities.⁵³⁶ With 575 sworn officers, the Sheriff’s office is considered one of the larger forces in terms of policing, and is performing competitively in comparison to jurisdictions of comparison size in terms of crime prevention, department management, and officer retention.⁵³⁷

In addition to serving the unincorporated areas of the County, the Sheriff works cooperatively with the town police departments in Leesburg, Purcellville, and Middleburg to provide additional or backup services.⁵³⁸ These additional/backup services include assistance with investigations (major crimes), crime scene processing, forensics, SWAT, response support, incident coordination, equipment, and resources, 911-EC dispatch,⁵³⁹ firing range training, and warrant and civil process services (presence and visibility). The residents of the County’s three towns with independent police departments, including Leesburg, pay town taxes in addition to County property taxes to pay for direct delivery of law enforcement services from their town police departments. The four towns that do not have police departments coordinate with the Sheriff for all their policing and law enforcement services.⁵⁴⁰

In April 2021, the Loudoun County Board of Supervisors engaged the International Association of Chiefs of Police (“IACP”) to conduct a “detailed, impartial analysis of the potential formation of a county police department.”⁵⁴¹ The IACP’s report is an independent evaluation of

⁵³⁵ Loudoun FY24 Proposed Budget Vol. 1 at E-55.

⁵³⁶ See Loudoun FY 24 Proposed Budget Volume 1 at E-54, 2-58; see also IACP Report at 52.

⁵³⁷ IACP Report at 32, 51.

⁵³⁸ See IACP Report at 17; see also Loudoun County Sheriff’s Office, General Order 406.18 (July 30, 2015), <https://public.powerdms.com/LOUDOUNVA/tree/documents/115765> (“Mutual Aid”).

⁵³⁹ See IACP Report at 62. Loudoun County has the only PSAP. Leesburg Police Department runs its own dispatch, but it is considered a secondary PSAP.

⁵⁴⁰ Id. at 20.

⁵⁴¹ Id. at 1.

the Loudoun County Sheriff’s Office, its organizational structure, operations, and outcomes. In addressing the question of whether the Sheriff should reorganize as a county police department, the IACP analyzed the County’s relationship with the Leesburg Police Department and the role of a County police department working with the Town’s Police Department.⁵⁴² Although certain data and analyses from the IACP Report are included in this narrative, the entirety of the report is attached as Appendix D for the Commission’s consideration.

Leesburg, one of the three incorporated towns of Loudoun County with an independent police department, has its own goals and budgets for staffing and service levels.⁵⁴³ There is also a separate police force for the airport, which the Sheriff supports.⁵⁴⁴ Although Leesburg’s Police Department is independent and provides primary law enforcement duties within the Town, Leesburg benefits from supplemental law enforcement and court-related services provided by the Sheriff.⁵⁴⁵ It is the Sheriff’s policy to “maintain open channels of communication with neighboring law enforcement agencies”⁵⁴⁶ As Loudoun County continues to grow and develop, the County has begun its long-term planning for a fifth patrol/public safety station.⁵⁴⁷ The County is planning the building of the Brambleton Sheriff Station, projected to be completed in fiscal year 2031.⁵⁴⁸

In addition to the Sheriff being well-funded and having ample resources to police the APA, the needs of the area are minimal compared to other parts of the County. The APA has no residents, and 90 percent of the area is planned for use by data centers that generally do not have meaningful

⁵⁴² Id.

⁵⁴³ Id. at 17; *see also* Town of Leesburg Police Department, <https://www.leesburgva.gov/departments/police>.

⁵⁴⁴ *See* Metropolitan Washington Airports Authority Police Department, <https://www.mwaa.com/police-department-and-law-enforcement>; *see also* IACP Report at 17.

⁵⁴⁵ Loudoun County Sheriff’s Office, General Order 401.19 (July 20, 2015), <https://public.powerdms.com/LOUDOUNVA/tree/documents/115718> (“Relationships With Other Agencies”).

⁵⁴⁶ *See generally id.*; *see also* IACP Report.

⁵⁴⁷ FY 2023 Adopted Budget, Vol. 2 at 9–63, <https://www.loudoun.gov/DocumentCenter/View/170613/FY-2023-Adopted-Budget---Volume-2>.

⁵⁴⁸ Id.; *see also* IACP Report at 18.

commercial activity or foot traffic.⁵⁴⁹ With minimal rights-of-way, the expected public safety demand from the APA's parcels would be marginal.⁵⁵⁰ The minimal public safety service demands required by Compass Creek, which includes the area proposed for annexation, is evident in historical calls for service data.⁵⁵¹ The combined Loudoun County Sheriff responses and Leesburg Police Department (LPD) mutual aid responses to calls in Compass Creek represented an average of approximately one per day or less.⁵⁵²

In 2022, approximately 80 percent of the Sheriff's 296 total responses to calls in Compass Creek were related to minor incidents such as animal complaints, nuisances, 911 hang ups or open lines, building checks, and suspicious vehicles.⁵⁵³ Another 11.5 percent of the calls were related to property crime (larceny, shoplifting etc.), and the remaining calls were related to traffic incidents.⁵⁵⁴ Of the total 296 calls made during 2022, over 60% (183) occurred at the Walmart Parcel.⁵⁵⁵ Given that the Walmart Parcel represents most of the incidents in Compass Creek, and given that the major plans for building out the area proposed for annexation involve data centers with limited commercial activity, there is no indication that further development of Compass Creek would result in significant increases to call volume or service demands.⁵⁵⁶

Aside from the Sheriff's existing services provided to the APA, the office also has several features that make it well-suited to continue providing the policing needs of this area of the County. The Sheriff already has well-established relationships with the Virginia State Police, federal law enforcement agencies, and regional law enforcement agencies.⁵⁵⁷ Furthermore, the Sheriff's

⁵⁴⁹ PFM Report at 27.

⁵⁵⁰ Id.

⁵⁵¹ Id.

⁵⁵² *See* PFM Report, pg. 27.

⁵⁵³ Id. at 28.

⁵⁵⁴ Id.

⁵⁵⁵ *See id.*

⁵⁵⁶ Id.

⁵⁵⁷ IACP Report at 1.

guardian model “emphasizes the use of communication techniques instead of commands, equity instead of authority, and tactical restraint instead of forceful measures.”⁵⁵⁸ The Sheriff’s law enforcement officers also collect and report data as part of the Virginia Community Policing Act, which requires law-enforcement officers to collect information during stops of a motor vehicle based on the officer’s observation or information provided to the officer by the driver.⁵⁵⁹ Through its participation, LCSO not only provides policing services in the present, but considers its long-term approach and impact. One of the department’s focuses is on “developing policies and strategies for “deploying resources that aim to reduce crime by improving relationships, increasing community engagement, and fostering cooperation.”⁵⁶⁰

In line with its community-minded approach, the Sheriff also bears the responsibility of providing several important community services. For example, it is the Sheriff’s policy to “establish close ties with and respond to the needs of the [C]ounty’s citizens.”⁵⁶¹ One of the ways the Sheriff carries out this policy is by establishing crime prevention plans and programs; it is an “integral” part of the agency’s activities.⁵⁶² The Sheriff’s Crime Prevention Unit’s services include, but are not limited to, conducting security surveys for businesses and residences, conducting programs “oriented to business concerns in cooperation with the local business community,” and arranging and coordinating a series of public education programs on the reduction and elimination of specific crimes.⁵⁶³

⁵⁵⁸ *Id.* at 22.

⁵⁵⁹ *See* Va. Code §§ 52-30.1, 52-30.2; *see also* Loudoun County Sheriff’s Office, [Our Commitment](https://www.loudoun.gov/5366/Our-Commitment), <https://www.loudoun.gov/5366/Our-Commitment>.

⁵⁶⁰ IACP Report at 25; *see* Loudoun County Sheriff’s Office, [General Order 401.2: Non-Biased Policing](https://public.powerdms.com/LOUDOUNVA/tree/documents/115701), <https://public.powerdms.com/LOUDOUNVA/tree/documents/115701>.

⁵⁶¹ Loudoun County Sheriff’s Office, [General Order 409.15: Crime Prevention Unit](https://public.powerdms.com/LOUDOUNVA/tree/documents/115798), <https://public.powerdms.com/LOUDOUNVA/tree/documents/115798>.

⁵⁶² *Id.*

⁵⁶³ *Id.*

The Loudoun County Sheriff’s Office is amply capable of providing policing services to the area proposed for annexation for multiple reasons. The Sheriff is well-funded, well-staffed, and focuses on both addressing the immediate policing needs of the County as well as adopting a multifaceted approach as the County develops. As previously stated, the County has already accounted in its budget through FY2030 for the construction of an additional sheriff’s station, which will allow the County to be well-prepared and keep up with development and population growth in the County.⁵⁶⁴ Furthermore, it is reasonable to anticipate that the area proposed for annexation will not require a significant increase in policing services as its industrial development continues. The Sheriff already provides mutual aid services to the Leesburg Police Department⁵⁶⁵ and thus, annexation will not materially advantage the APA in any way. The County is confident that the Commission’s analysis will result in the same conclusion rendered by the IACP Report: “[w]hen comparing national crime statistics, Northern Virginia law enforcement agencies’ crime statistics, and law enforcement agencies across the Washington D.C. Metropolitan Area, the sheriff’s office does an excellent job addressing the public safety needs in Loudoun County.”⁵⁶⁶

F. Fire Prevention and Detection (1 Va. Admin. Code § 50-20-540(10)(g))

In April 2014, the Board of Supervisors approved an ordinance establishing the Loudoun County Combined Fire and Rescue System (“LC-CFRS”), which went into effect on July 1, 2015.⁵⁶⁷ The stated purpose of the LC-LCFRS is to “promote the public health, safety and welfare by establishing a framework of governance of the LC-CFRS to include, but not be limited to:

⁵⁶⁴ FY 2023 Adopted Budget, Vol. 2 at 9–63.

⁵⁶⁵ Loudoun County Sheriff’s Office, General Order 406.18: Mutual Aid.

⁵⁶⁶ IACP Report at ix.

⁵⁶⁷ See Codified Ordinances, Chapter 258.

system-wide discipline, financial reporting and training and certification standards for operating members of all volunteer and career fire and/or emergency medical services (EMS) companies.”⁵⁶⁸

LC-CFRS includes the following fifteen companies in addition to the County’s professional department, Loudoun County Fire and Rescue: Leesburg Volunteer Fire Company; Purcellville Volunteer Fire Department, Inc.; Round Hill Volunteer Fire Department, Inc.; Hamilton Volunteer Fire Department; Ashburn Volunteer Fire and Rescue Department; Aldie Volunteer Fire Department; Philomont Volunteer Fire Department; Arcola Volunteer Fire Department, Inc.; Lucketts Volunteer Fire Company, Inc.; The Sterling Volunteer Fire Company, Inc.; Lovettsville District Fire and Rescue Co., Inc.; Loudoun County Volunteer Rescue Squad, Inc.; Purcellville Volunteer Rescue Squad, Inc.; Sterling Park Rescue Squad, Inc.; and Hamilton Volunteer Rescue Squad, Inc.⁵⁶⁹

LC-CFRS has financial audit authority over all volunteer companies and has enforcement authority over personnel through a Code of Conduct. LC-CFRS responded to a total of 28,977 incidents between July 1, 2018 and June 20, 2019, of which 7,661 were fire incidents, 20,846 were EMS and 470 were public service calls.⁵⁷⁰ LC-CFRS utilizes RapidSOS, an emergency response platform that securely links lifesaving data from over 350 million connected devices and platforms to emergency services and first responders.⁵⁷¹

LC-CFRS has a strategic plan for 2022-2027 that has been commended to the Board for review and approval. LC-CFRS has consistently promoted cross-jurisdictional relationships – it has multiple mutual-aid agreements in place with non-COG counties, such as Jefferson County, West Virginia and Clarke County, Virginia.

⁵⁶⁸ *Id.* at 258.02.

⁵⁶⁹ *Id.* at 258.05.

⁵⁷⁰ Loudoun County Fire and Rescue, About the System, <https://www.loudoun.gov/4339/About-the-System>.

⁵⁷¹ Loudoun County Fire and Rescue, RapidSOS, <https://www.loudoun.gov/5570/RapidSOS>.

Loudoun County's yearly Fire and Rescue budget for FY2023 was \$129,855,794, the highest departmental expenditure for the County.⁵⁷² Loudoun's commitment to funding its fire and rescue services is only projected to increase.⁵⁷³ Loudoun County will also be spending \$174,096 over the next five years in Capital Expenditures on fire protection and safety, including improvements to a training facility and improvements to multiple fire stations.⁵⁷⁴ Safety for citizens and businesses is a top priority for Loudoun County.

During Fiscal Year 2024, Fire-Rescue personnel will receive a 3% pay plan scale adjustment.⁵⁷⁵ Through local tax funding in Loudoun County, Fire and Rescue (Leesburg South Staffing Phase 1) will also receive \$4,894,405 in funding.⁵⁷⁶ This will go to the new Leesburg South Station, anticipated to open in March 2025.⁵⁷⁷ This new station will also serve the APA.⁵⁷⁸ This new, state of the art location will include apparatus bays, bunkrooms, a training room, a break room, restrooms, showers, food preparation and dining area, laundry, storage, gear and hose drying area, breathing air compressor room, fitness room, offices, and repair shops.⁵⁷⁹ This new station will be equipped with not only an engine, but a medic unit and a tanker as well as dedicated staffing for the HazMat unit.⁵⁸⁰

The APA is being developed to include a large Microsoft data center campus. This area will need fire and rescue services to protect the lives of employees and customers, as well as to

⁵⁷² See Loudoun FY24 Proposed Budget Vol. 1, E-54, <https://www.loudoun.gov/DocumentCenter/View/173744/FY-2024-Proposed-Budget---Volume-1>

⁵⁷³ *Id.*

⁵⁷⁴ See Loudoun FY24 Proposed Budget, Vol. 2 at 9-73, 9-74-9-79.

⁵⁷⁵ See Loudoun FY24 Proposed Budget Vol. 1 at E-4.

⁵⁷⁶ See *id.* at E-27

⁵⁷⁷ See *id.* at E-39.

⁵⁷⁸ See Loudoun County Office of Public Safety, Loudoun County Fire and Rescue Station Locations, <https://tinyurl.com/yc6y3c5r>.

⁵⁷⁹ See Loudoun FY24 Proposed Budget Vol. 1 at E-39.

⁵⁸⁰ *Id.*

protect physical property and assets. Fire protection, rescue, and hazardous materials services are critical in safeguarding lives, assets, and maintaining smooth business operations.

Loudoun County Rescue Squad Station # 13 (“LCRS”) services the APA and is eight minutes or less from the APA when traveling the speed limit.⁵⁸¹ LCRS is staffed with both career and volunteer personnel – fifty operational members, including twenty paid career staff who enable LCRS to be open 24 hours a day, seven days a week.⁵⁸² They report over \$600,000 in savings to the county, logging 15,000 hours of duty service in answering over 4,000 calls per year.⁵⁸³ LCRS provides fire protection, rescue, emergency medical services, hazardous materials mitigation, and related life/property safety services, including a bomb squad and a canine unit.⁵⁸⁴

If needed, LC-CFRS can quickly transport citizens from the APA to Inova Loudoun Hospital in Loudoun County, a 183-bed, nationally recognized, advanced community hospital.⁵⁸⁵ Should a different type of emergency arise, LC-CFRS has access to third party helicopter companies to ensure life-flights are available to individuals who need critical care outside of Loudoun County.⁵⁸⁶

G. Public Recreational Facilities (1 Va. Admin. Code § 50-20-540(10)(h))

Loudoun has many community-enhancing public recreational facilities. The County’s Department of Parks, Recreation, and Community Services (“PRCS”) operates County-owned or County-maintained facilities that are comprised of “over 1,700 acres of open space, more than 60 miles of trails, 200 athletic fields, 27 parks (including three regional parks), 18 playgrounds, 10

⁵⁸¹ See *id.*

⁵⁸² Loudoun County Volunteer Rescue Squad, *About Us*, <https://loudounrescue.org/about/>.

⁵⁸³ See Loudoun FY24 Proposed Budget Vol. 1 at 2-38; see also *id.*

⁵⁸⁴ See Loudoun FY24 Proposed Budget Vol. 1 at 2-38.

⁵⁸⁵ Inova, *Inova Loudoun Hospital*, <https://www.inova.org/locations/inova-loudoun-hospital>.

⁵⁸⁶ See *e.g.*, Loudoun County Emergency Medical Services Advisory Council, Inc., *Advanced Life Support Policy/Procedure #8* (Apr. 2002), <https://www.loudoun.gov/DocumentCenter/View/4493/PP-ALS-8-Utilization-of-Helicopters?bidId=>.

community centers, six sports complexes, two indoor and two outdoor swimming pools, four historic/heritage sites, three adult day centers, and three senior centers.”⁵⁸⁷ “PRCS also operates a senior activity center, a nature preserve, a nature center, a performing and visual arts center, an industrial catering kitchen, and administrative offices.”⁵⁸⁸ PRCS works with Loudoun County Public Schools to offer certain programming and activities, including childcare, preschool, after-school care, sports and recreation, community outreach, aging services, youth services, adaptive recreation, summer camp, health and fitness, planning and development, facility maintenance, customer service, and environmental stewardship.⁵⁸⁹ PRCS also offers sports programs, instructional and interpretive classes, programs for senior citizens, visual and performing arts programs and activities, after school activities, trips, camps, special events, volunteer opportunities, educational and prevention programs for youth, and programs for individuals with disabilities.⁵⁹⁰ In terms of measurable impact, approximately 875,000 people visited parks for special events, over 55,000 youth participated in sports teams through PRCS, and over 156,460 meals were served to seniors in 2018 alone.⁵⁹¹ In 2022, over 411,000 individuals visited PRCS parks, over 73,000 individuals visited PRCS recreation centers, over 6,000 adults participated in adult sports leagues, and over 45,000 children and youth participated in youth sports.⁵⁹²

Loudoun County makes these various services, programs, and facilities easily accessible through the PRCS website, which is available in several different languages. The PRCS website provides easy and clickable icons for users to register and to pay for activities, to obtain an activity guide, to get the status of PRCS fields, to find out information on PRCS camps, to coordinate

⁵⁸⁷ Loudoun General Plan at 6-4; *see also* PRCS website at <https://www.loudoun.gov/4119/Parks-Recreation-Community-Services>.

⁵⁸⁸ *See* Loudoun General Plan at 6-4.

⁵⁸⁹ *Id.*

⁵⁹⁰ *Id.*

⁵⁹¹ *Id.*

⁵⁹² Loudoun 2022 Financial Report at 220.

facility rentals, to access planning and development information related to PRCS, to search programs available for the senior community and for the youth community, and to obtain information about child care and upcoming events associated with PRCS.⁵⁹³ This informative website is easy to navigate and an endless source of information for individuals wanting to use Loudoun’s Parks, Recreation and Community Services.

Loudoun County has appropriated a significant amount of money to support PRCS programs, services, and facilities in its 2024 Proposed Budget.⁵⁹⁴ Loudoun’s overall budget for PRCS increased from \$52,010,377 in FY2021 to \$59,557,88 in FY2022.⁵⁹⁵ Loudoun continues to adopt and propose budget increases for PRCS expenditures, with FY2023 approved at \$68,903,912, FY2024 proposed at \$70,081,018, and FY2025 proposed at \$78,335,493.⁵⁹⁶ Unsurprisingly, to support the County's continually enhancing services, the number of PRCS full time employees (677.13 as of FY2021) is also proposed to grow to 764.57 as of FY2025.⁵⁹⁷ These additional employees will support programs at parks and community and recreation centers within Loudoun, as well as help to maintain the level of service for after school programs run for children out of most Loudoun elementary schools.⁵⁹⁸ As part of the increase in PRCS employees, Loudoun plans to add an information technology specialist for PRCS, a meals program specialist, and a sports specialist to help build “community wellness and resiliency, among other key PRCS staff positions.⁵⁹⁹ In the 2023 Adopted Budget, Children’s Programs, Parks, Community Centers, Aging Services, and Recreation Centers account for the greatest numbers of PRCS full time employees,

⁵⁹³ See Parks, Recreation and Community Services, Loudoun County, <https://www.loudoun.gov/4119/Parks-Recreation-Community-Services>.

⁵⁹⁴ See Loudoun FY24 Proposed Budget Vol. 1 at E-54, 4-10–4–20, <https://www.loudoun.gov/DocumentCenter/View/173744/FY-2024-Proposed-Budget---Volume-1>

⁵⁹⁵ Id. at E-54.

⁵⁹⁶ See Id.

⁵⁹⁷ See Id. at 4-20.

⁵⁹⁸ See Id. at 4-13.

⁵⁹⁹ See Id.

as well as the largest amounts of committed funding, with the County also demonstrating its financial commitment to responsible maintenance of its parks and facilities through the PRCS Maintenance Services budget.⁶⁰⁰

Although a large undertaking from a fiscal standpoint, Children’s Programs are also set to generate over ten million dollars in revenue in 2023, Recreation Centers are expected to generate just under ten million, and community centers are set to generate almost five million in revenue for 2023.⁶⁰¹ On the whole, “PRCS’s revenues are driven by the Department’s programs and facilities including fees associated with childcare and children’s programs, adult programs, aging programs, sports, and facility rentals” and “PRCS has traditionally recovered approximately 50 percent of expenditures in revenue Department-wide.”⁶⁰² Loudoun regularly evaluates programmatic revenue “to maximize recovery while maintaining established levels of services” even as expenditures increase.⁶⁰³

The demand for services, facilities, and programs in Loudoun County continues to grow. Because of the growth in population in Loudoun County and the increasing scarcity of land, PRCS “faces significant challenges securing additional parks and trails to meet the service demands.”⁶⁰⁴ As a result, PRCS has developed adaptable strategies to ensure the future growth of its services, programs, and activities so that it will be able to meet future needs.⁶⁰⁵ Part of the County’s efforts in this respect are to secure developer-constructed trails and amenities, such as those proffered to the County in the APA.⁶⁰⁶ Loudoun has also experienced significant increases in its over 55

⁶⁰⁰ See Id. at 4-18–4-19.

⁶⁰¹ See Id. at 4-18.

⁶⁰² See Id. at 4-13.

⁶⁰³ See Id.

⁶⁰⁴ See Loudoun General Plan at 6-5.

⁶⁰⁵ Id.

⁶⁰⁶ See ZMAP-2012-0021, Proffer Statement.

population and has adapted its strategic plan to support these needs and provide services to this particular segment of the population.⁶⁰⁷

Public recreational facilities are also an important consideration of the County’s long-term planning policies. The Loudoun County 2019 General Plan, includes “[a]ccessible and connected parks and open spaces” as a characteristic that “will help ensure future development and coordinated placemaking” in Loudoun County to “enhance the quality of life.”⁶⁰⁸ Each of Loudoun’s policy areas, including Suburban Policy Area (“SPA”), Transition Policy Area (“TPA”), Rural Policy Area (“RPA”), Towns & Joint Land Management Areas (“JLMAs”), and the newly established Urban Policy Area (“UPA”) will be subdivided into what the General Plan calls “Place Types.” Importantly, no matter the Place Type designation, the County will list “Parks and Recreation” as a conditional use and will review all such requests on a case-by-case basis.⁶⁰⁹ In this way, the General Plan emphasizes the importance of accommodating Parks and Recreation while ensuring that such parks and facilities are in line with needs of the growing Loudoun community.

The Loudoun County General Plan promotes several different types of recreational forms of land use. Recreation uses encouraged in the General Plan include passive open spaces such as trails for hiking, biking, walking, or equestrian, picnic areas, community gardens, camping or fishing areas and active open spaces for ballfields, tennis or basketball courts, swimming pools, tot lots, golf courses, dog parks, and other venues for sports and games.⁶¹⁰ The General Plan also provides for open spaces in the community, including “plazas, playgrounds, pocket parks, gardens,

⁶⁰⁷ Loudoun General Plan at 6-5.

⁶⁰⁸ Loudoun General Plan.

⁶⁰⁹ *Id.* at 2-9.

⁶¹⁰ *Id.* at 2-11.

public art, and amphitheaters.”⁶¹¹ Lastly, it allows for natural, environmental and heritage recreation, including “forests, stream valleys, wildlife habitats, floodplains and their buffers, steep slopes and ridge tops, meadows, hedgerows, wetlands, heritage resources, and land contributing to the context of heritage resources.”⁶¹²

Each type of policy area (or development category) specified in the General Plan encourages green spaces and other parks and recreation facilities. The General Plan emphasizes the provision of “publicly accessible green spaces, such as the Broad Run Stream Valley Park and Trail” as part of the newly formed Urban Policy Areas (“UPA”).⁶¹³ Within the suburban compact neighborhood in the Suburban Policy Areas (“SPA”), Loudoun will require that “15% of site [must be used for] Recreational (Passive and Active), Community, and/or Natural, Environmental, and Heritage.”⁶¹⁴ Suburban mixed use areas must, according to the General Plan, maintain 10% of the land developed for similar recreational purposes.⁶¹⁵ Suburban commercial use areas must maintain 10% of the site land for passive and active recreational uses.⁶¹⁶ Suburban employment and suburban industrial/mineral extraction use areas must maintain 30% of the site for recreational trails and/or community seating, plazas, gardens and/or public art, etc.⁶¹⁷ In the General Plan, it also emphasizes recreational areas for the Transition Policy Area (“TPA”) to “provide space for public and civic facilities and parks.”⁶¹⁸ “Future TPA developments will still be required to preserve large open space areas.”⁶¹⁹ TPA Policy 2 in the General Plan details that Loudoun intends to “[o]ffer safe and accessible parks and recreation opportunities that provide diverse activities for

⁶¹¹ Id.

⁶¹² Id.

⁶¹³ Id. at 2-26.

⁶¹⁴ Id. at 2-53.

⁶¹⁵ Id. at 2-56.

⁶¹⁶ Id. at 2-60.

⁶¹⁷ Id. at 2-62.

⁶¹⁸ Id. at 2-66.

⁶¹⁹ Id. at 2-68.

all ages, interests, and abilities” and which “build[] on and link[] current planned shared-use trails and park areas.”⁶²⁰ Transition large and small lot neighborhoods in the TPA are required to have 50% of the site as recreational and/or natural environmental and heritage.⁶²¹ Transition compact neighborhoods are required to have 50% of the site dedicated to recreational, community, and/or natural, environmental and heritage.⁶²² Transition community centers also require 50% of the site to be dedicated to recreational, community, and/or natural, environmental and heritage use.⁶²³ According to the General Plan, transition light industrial areas require 50% of the site to be “recreational (trails), community (outdoor seating, plazas), and/or natural, environmental and heritage.”⁶²⁴ The Rural Policy Area (“RPA”) outlined in the General Plan is known for its agricultural tourism, farmland, wineries, and equine industry. In this area, Loudoun will “[d]evelop County parks and trail networks, cross-country courses, and equestrian riding rings or other equestrian-related features.” The rural north and the rural south require 70% of sites to be preserved for passive recreation and/or other agricultural/rural land uses.⁶²⁵ In the General Plan, the Leesburg JLMA Residential Neighborhood requires a minimum of 30% of sites to be dedicated to recreation, community, and/or natural, environmental and heritage uses.⁶²⁶ Relevant to the APA, the Leesburg JLMA Employment area requires that 20% of the site be dedicated to recreational (sidewalks or trails), community (outdoor seating area), and/or natural environmental and heritage.⁶²⁷ And, Leesburg JLMA Industrial/Mineral Extraction areas require that 20% of developed sites be

⁶²⁰ Id. at 2-70.

⁶²¹ Id. at 2-80.

⁶²² Id. at 2-83.

⁶²³ Id. at 2-86.

⁶²⁴ Id. at 2-89.

⁶²⁵ Id. at 2-180–2-111.

⁶²⁶ Id. at 2-140.

⁶²⁷ Id. at 2-143.

dedicated to recreational (sidewalks or trails), community (outdoor seating area), and/or natural, environmental and heritage.⁶²⁸

The County actively encourages reuse and redevelopment as a means to obtain its objective to promote growth in the parks and recreation sphere. The General Plan specifies a policy to “[e]nsure the development of inviting public spaces that encourage longer stays and increase the vibrancy of the area, such as public/civic gathering spaces, outdoor rooms, public art spaces, and passive/active recreation spaces” and creating guidelines to sustain the same.⁶²⁹ Loudoun reused and repurposed several historic schools as community centers, such as the Lucketts Community Center, in its redevelopment of rural villages.⁶³⁰ In its redevelopment objectives, Loudoun aims to provide amenities and fulfill community needs by the “[d]evelop[ment] [of] criteria, such as site constraints, important resources, and community amenity gaps, to identify infill sites appropriate for use as a park, civic, and open space rather than private development” and by the promotion of “the development of interim uses on underutilized properties that are compatible with the surrounding development pattern, such as community gardens, playgrounds”⁶³¹ Even within the County’s more intensely developed eastern third, Loudoun’s legacy village cores, including Ashburn, Arcola, and Old Sterling, are intended to “promote a mix of land uses including . . . public facilities, parks, [and] playgrounds.”⁶³² The General Plan specifies that certain recreational redevelopment should include the adaptive reuse of existing structures to “provide cultural activities and community gathering places.”⁶³³

⁶²⁸ Id. at 2-145.

⁶²⁹ Id. at 2-14.

⁶³⁰ Id. at 2-21.

⁶³¹ Id. at 2-22.

⁶³² Id. at 2-24.

⁶³³ Id. at 2-25.

Loudoun offers a large variety of open spaces for the recreational use of residents.⁶³⁴ Open spaces include linear parks such as the banks of Goose Creek, Broad Run, Bull Run, Catoclin Creek, Potomac River, and other waterways throughout Loudoun.⁶³⁵ Loudoun includes active and passive parks, including those under the purview of NOVA Parks, which is a regional park authority managing over 3,800 acres of parks in Loudoun.⁶³⁶ Foremost in the implementation matrix for the General Plan is the development of “user-friendly” “parks and open spaces,” and the development of guidelines and zoning regulations for “bike lanes, shared spaces, and paths of travel” many of which are integrated into Loudoun’s parks, thus making parks and recreation facilities of the utmost priority for Loudoun.⁶³⁷

Last, Loudoun is home to regional park facilities associated with NOVA Parks. NOVA Parks located in Loudoun include the W&OD Trail (which hosts millions of visitors every year), a working farm, two golf courses, a group camping site, a water park, and several historic properties.⁶³⁸ Loudoun, as well as Arlington County, Fairfax County, the City of Alexandria, the City of Falls Church, and the City of Fairfax each contribute \$1.89 per capita to support and maintain NOVA Parks.⁶³⁹ Specifically, NOVA Parks in Loudoun include: (1) Aldie Mill Historic Park, (2) Algonkian Regional Park, (3) Ball’s Bluff Battlefield Regional Park, (4) Battle of Upperville/Goose Creek Bridge Historic Park, (5) Blue Ridge Regional Park, (6) Brambleton Regional Park and Beaverdam Reservoir Park; (7) Gilbert’s Corner Regional Park; (8) Mt. Defiance Historic Park; (9) Mt. Zion Historic Park; (10) Red Rock Wilderness Overlook Regional

⁶³⁴ Id. at 6-6.

⁶³⁵ Id. at 6-7.

⁶³⁶ Id.

⁶³⁷ Id. at 7-5, Chapter 2, Action 1.1.A, 4.1.A.

⁶³⁸ Id. at 6-7.

⁶³⁹ Id.

Park; (11) Rust Nature Sanctuary and Manor House; (12) Seneca Regional Park; and (13) Springdale.⁶⁴⁰

Loudoun prioritizes the sustainable development of parks and recreation and continues to allocate significant time, effort, and resources to sustain, develop, and maintain its parks and recreation facilities, programs, and services. Indeed, Loudoun emphasizes the growth of sustainable development and open spaces to continue to meet the needs of the growing Loudoun community.

By contrast, the Town of Leesburg’s Parks and Recreation Department offers only six facilities and 371 acres of park space.⁶⁴¹ Leesburg’s expenditures amounted to \$5,185,228 and its revenue was just \$3,162,983 in 2021, a fraction of the investment in services made by Loudoun County for all of its residents, including those residing in Leesburg.⁶⁴² Loudoun’s robust capabilities and future projected growth in the area of parks and recreation vastly exceed Leesburg’s capacity to service area residents’ needs (including those residents located near the APA) in terms of public access to parks and recreation programs and facilities.⁶⁴³

H. Library Facilities (1 Va. Admin. Code § 50-20-540(10)(i))

Similar to Section 8(G), above, Loudoun specifies in its General Plan its intent to promote sustainable reuse and redevelopment of existing buildings as a means of bringing library services and facilities to the growing population in the County. The General Plan explains that because of “the increasing scarcity of land and the diversity of facility and service needs,” libraries have been adapted to share commercial spaces, such as in Brambleton and Stone Ridge.⁶⁴⁴ The General Plan

⁶⁴⁰ *Id.* at 6-8.

⁶⁴¹ See Leesburg Parks & Recreation Department Annual Report FY 2021, Leesburg Parks and Recreation Department, <https://www.leesburgva.gov/home/showpublisheddocument/37948/637876158315470000>.

⁶⁴² See *Id.*

⁶⁴³ Loudoun County, *Loudoun County and Surrounding Area 2019 General Plan Maps* 22 (2019), <https://www.loudoun.gov/DocumentCenter/View/152286/General-Plan---Maps>

⁶⁴⁴ Loudoun General Plan.

also states that “Loudoun County Public Library (LCPL) is the information center of the community, providing free and equal access to innovative technologies and a full range of library resources to enhance the quality of life and meet the informational, educational, and cultural interests of the entire community.”⁶⁴⁵

LCPL currently operates ten branches, some of which are standalone facilities (Ashburn, Cascaded, Lovettsville, Middleburg, Purcellville, and Rust) and some of which are cojoined with businesses or other County facilities (Gum Spring, Law Library, Brambleton, and Sterling).⁶⁴⁶ The Leesburg Senior Center shares a space with LCPL Administration in Leesburg.⁶⁴⁷

LCPL administers a user-friendly website for patrons, with easy search tools, live chat features, and simple methods to apply for a library card, download, and stream library content and materials, get access to upcoming library events, ask questions, and conduct overall searches for information related to LCPL.⁶⁴⁸ LCPL also offers digital access to popular services such as Libby, Hoopla, Freegal, Kanopy, Mango Languages, LinkedIn Learning, and Consumer Reports.⁶⁴⁹ Importantly, the LCPL website highlights upcoming county events and news, including providing access to information from Loudoun governing bodies, such as the Loudoun County Board of Supervisors, Planning Commission, Board of Zoning Appeals, etc.⁶⁵⁰ In this way, LCPL creates a pathway for sharing information with Loudoun County residents, which is not just pertinent to library resources, but which is also integral to helping LCPL patrons to participate in open and transparent government within Loudoun County.⁶⁵¹

⁶⁴⁵ *Id.* at 6-3.

⁶⁴⁶ *Id.*

⁶⁴⁷ *Id.*

⁶⁴⁸ *See* Loudoun County Public Library, Homepage, <https://library.loudoun.gov/>.

⁶⁴⁹ *See Id.*

⁶⁵⁰ *See Id.*

⁶⁵¹ *See Id.*

Library Services Programs run by the Loudoun Department of Library Services include: (1) public services, (2) support services, and (3) general library administration.⁶⁵² First, public services give library patrons “access to the Library collection, programs, technology, and services (including Passport and Notary services).”⁶⁵³ They also “[p]romote the joy of reading and lifelong learning through readers’ advisory; early literacy programs; teen initiatives; humanities, arts, and science events; technology training; and educational opportunities.”⁶⁵⁴ Second, support services provided by LCPL include the selection and acquisition of “library materials to inform, educate, and enlighten County residents” and “systems administration, technical training, and support for all automated library systems and technologies.”⁶⁵⁵ And, third, general library administration provides for the administration of policies and procedures propounded by the Library Board of Trustees and any County-wide initiatives for LCPL.⁶⁵⁶ The administration also “[p]rovides administrative support and oversees the Public Services and Support Services Programs,” and “[m]anages the budget, accounting, human resources, training needs, and the Capital Improvement Program for Library Services.”⁶⁵⁷

Despite supporting a staggering number of library visits annually (1,215,138 in 2022), Loudoun plans to increase its library services programs for the foreseeable future.⁶⁵⁸ LCPL goals for FY2023-2025 include increasing the number of visits to each library facility by two percent every year (with a goal of 1,510,570 visits for FY2025), increasing the use of Wi-Fi sessions, increasing the availability of electronic titles, increasing program attendance each year, and

⁶⁵² See Loudoun FY24 Proposed Budget Vol. 1 at 4-2.

⁶⁵³ Id.

⁶⁵⁴ Id.

⁶⁵⁵ Id.

⁶⁵⁶ Id.

⁶⁵⁷ Id.

⁶⁵⁸ See Id. at 4-6-4-7.

promoting student use of library resources.⁶⁵⁹ LCPL’s total circulation numbered almost five million as of 2017.⁶⁶⁰

Loudoun County has allocated and intends to continue allocating significant resources to LCPL. LCPL accounted for \$20,159,378 of the 2022 actual budget, \$24,562,480 of the adopted 2023 budget, \$24,822,359 of the 2024 proposed budget, and \$25,485,521 of the 2025 proposed budget.⁶⁶¹ LCPL brought in just over \$500,000 in revenue in 2022 and is anticipated to bring in slightly more in FY2023-2025.⁶⁶² Current LCPL staffing levels are expected to remain adequate for FY2021-2025 with the retention of just over 220 FTEs from year to year.⁶⁶³ The largest expenditures for the Department of Library Services’ are personnel costs, with budgetary increases projected to allow for compensation and merit increases for LCPL employees.⁶⁶⁴

As the County's community changes, LCPL has evolved to meet needs by adapting its learning services to serve non-native English speakers, by offering increased programming in Science, Technology, Engineering, and Math (STEM), and by providing more multi-purpose rooms that can be used as a conference room or study space for patrons.⁶⁶⁵ In the STEM context, LCPL offers “maker spaces” that have 3D printers, robotics, recording studios, design software, computer labs, and other similar equipment.⁶⁶⁶ Every facility provides high speed internet access.⁶⁶⁷ Library locations, mindful of the transportation and other needs of residents, are often

⁶⁵⁹ Id.

⁶⁶⁰ See 2017 Statistical Data for Virginia Public Libraries, https://www.lva.virginia.gov/lib-edu/ldnd/libstats/circ_2017.pdf

⁶⁶¹ See Loudoun FY24 Proposed Budget Vol. 1 at E-54, 4-1-4-8, <https://www.loudoun.gov/DocumentCenter/View/173744/FY-2024-Proposed-Budget---Volume-1>

⁶⁶² See id. at 4-8.

⁶⁶³ See id. at 4-8.

⁶⁶⁴ See id. at 4-4.

⁶⁶⁵ Loudoun General Plan at 6-4.

⁶⁶⁶ Id.

⁶⁶⁷ Id.

situated at or near public transportation, and near senior centers and schools to promote the ease of access.⁶⁶⁸

By contrast, the Town of Leesburg only has one library, The Thomas Balch Library, which is open only for limited hours, (for example it is only open to the public from 11 a.m. to 4 p.m. on Saturdays), has limited parking, and has very limited programs and services.⁶⁶⁹ The Thomas Balch Library also had limited visitors (only 23,970 for FY2021), limited reference requests (only 54,520 for FY2021), and only 103 total library programs offered in 2021.⁶⁷⁰ The Town's capabilities with respect to providing library services to residents, including those located in and around the APA, are incomparable to those of Loudoun County, and reasonably so.

I. Schools (1 Va. Admin. Code § 50-20-540(10)(0))

Loudoun County Public Schools ("LCPS") is the largest employer in Loudoun County⁶⁷¹ and educates over 85,000 students in ninety-five schools and nine educational support buildings.⁶⁷² LCPS is also the third largest of the 132 school divisions in Virginia.⁶⁷³ LCPS's budget is considerable; its Operating Fund increased by \$26.7 million or 2.2% above the FY2020 Adopted Budget for FY 2021.⁶⁷⁴ The division's student enrollment is projected to increase at about a 2% rate per year, which directly impacts the employment opportunities in the County.⁶⁷⁵ LCPS's total

⁶⁶⁸ Id.

⁶⁶⁹ Virginia Thomas Balch Library, Town of Leesburg, .

⁶⁷⁰ Town of Leesburg FY2023 Adopted Budget at 127, <https://www.leesburgva.gov/home/showpublisheddocument/38041/637896776183370000>.

⁶⁷¹ FY2023 Adopted Budget, Vol. 1 at i-9, <https://www.loudoun.gov/DocumentCenter/View/170612/FY-2023-Adopted-Budget---Volume-1>; see also IACP Report at 38, .

https://loudoun.granicus.com/MetaViewer.php?view_id=86&event_id=3366&meta_id=209147.

⁶⁷² Loudoun County Public Schools, FY 2021 Adopted Budget at 4 [hereinafter LCPS FY2021 Adopted Budget], <https://www.lcps.org/cms/lib/VA01000195/Centricity/Domain/64/FY21%20Budget/08-20-20%20FY21%20Adopted%20Budget/FY21%20Adopted%20Book%20Web%20Version.pdf>.

⁶⁷³ Id. at 21.

⁶⁷⁴ Id. at 19.

⁶⁷⁵ Id. at 21.

school-based FTEs have steadily increased in the past few years: from 11,577.3 in FY2019 to 11,944.9 in FY2020, to 12,381.6 in FY2021.⁶⁷⁶

LCPS is governed by an elected School Board comprised of nine members, with one Board Member representing the Leesburg District.⁶⁷⁷ LCPS provides the entirety of the primary and secondary educational opportunities to the Town of Leesburg. There are fifteen LCPS schools located in the Town of Leesburg: eight elementary schools, three middle schools, and four high schools.⁶⁷⁸

LCPS, given its size and the role it plays in the community, is an integral part of the County's community.⁶⁷⁹ The County assigns a consideration portion of its General Fund and its local tax funding to operating LCPS. In fiscal year 2023, over \$1 Billion Dollars from the County's General Fund went to Loudoun County Public Schools' Operating Budget.⁶⁸⁰ New local tax funding is generally split between the County Government and LCPS; 34 percent is allocated to the County Government and the other 66 percent is allocated to LCPS' budget.⁶⁸¹

The County's extraordinary commitment to funding its education system allows LCPS to provide important resources to its schools, including schools in the Town of Leesburg, and achieve competitive outcomes. The County's schools are reputable and high-performing, with thirty-one LCPS schools earning the Board of Education Distinguished Achievement Award.⁶⁸²

Annexation would not have direct operational implications on the school division, as the area proposed for annexation is not a residential area. However, the County and LCPS provide

⁶⁷⁶ *Id.* at 302.

⁶⁷⁷ *Id.* at 29.

⁶⁷⁸ *See Schools*, Town of Leesburg, <https://www.leesburgva.gov/residents/schools>.

⁶⁷⁹ LCPS FY2021 Adopted Budget at 12.

⁶⁸⁰ FY2023 Adopted Budget, Vol. 2 at R-38.

⁶⁸¹ *Id.* at E-7.

⁶⁸² This award is awarded to schools that met all state and federal benchmarks and made progress towards the Governor's and Board of Education's educational goals. FY2021 Adopted Budget at 12.

high-quality schooling and additional community benefits to its residents and municipalities, including to the Town of Leesburg.

J. Housing (1 Va. Admin. Code § 50-20-540(10)(p))

The Loudoun County Department of Housing and Community Development (“LC-DHCD”) provides rental and homeownership assistance programs to individuals and families. It also provides loans for affordable rental housing developments and partners with nonprofits and towns on a variety of community development projects.⁶⁸³ LC-DHCD has consistently taken initiative to meet the housing needs of its residents, devoting large portions of the county budget to housing needs. The County has budgeted \$11,469,000 for Housing Fund operations in FY2024, up from \$7,200,000 in FY2023.⁶⁸⁴ Loudoun County’s Rental Assistance Program Fund provided \$9,797,953 in FY2023 toward operations and \$12,055,628 is budgeted for FY2024. LC-DHCD programs are more fully discussed in Section 9 *infra*.

K. Public Transportation (1 Va. Admin. Code § 50-20-540(10)(q))

Loudoun has a strong history of, and future plans for, the development of public transportation to support its dynamic and fast-growing population. The County projects that its population will increase from 406,850 people in 2018 to 694,911 by 2040.⁶⁸⁵ In support of its residents, businesses, and visitors, the County is host to and invests in many forms of public transportation, including local buses, commuter busses, paratransit, and mass transit.

Loudoun County funds a robust network of bus services, including commuter buses, local buses, metro connection buses, and paratransit bus services.⁶⁸⁶ Loudoun’s commuter bus services

⁶⁸³ See Housing & Community Development, Loudoun County, <https://www.loudoun.gov/1773/Housing-Community-Development>

⁶⁸⁴ FY24 Adopted Budget at E-18 <https://www.loudoun.gov/DocumentCenter/View/173744/FY-2024-Proposed-Budget---Volume-1>.

⁶⁸⁵ Loudoun General Plan at 1-7.

⁶⁸⁶ See Bus Services, Loudoun County, <https://www.loudoun.gov/4322/Bus-Services>.

“operate[] morning and late afternoon rush hour service from Loudoun Park and Ride lots to Rosslyn, Crystal City, the Pentagon, and Washington, D.C.”⁶⁸⁷ As of December 5, 2022, Loudoun offered close to 50 commuter routes spanning the morning and the late afternoon.⁶⁸⁸ For local bus services, Loudoun County Transit (“LCT”) provides fixed-route bus service from Purcellville through Leesburg and eastern Loudoun County with most services being offered from 7:00 a.m. to 7:00 p.m. during the weekdays and more limited services being offered on Saturdays.⁶⁸⁹ LCT’s metro connection bus services provide access to the County’s Silver Line Metrorail Stations.⁶⁹⁰

The County also provides accessible bus services via a Paratransit Bus Service and an On-Demand Bus Service. Importantly, all LCT buses are equipped with a lift or a ramp to assist passengers and provide areas where a wheelchair can be secured.⁶⁹¹ Paratransit bus services offer “[c]urb-to-curb accessible transit service that picks up from and drops off to locations within the paratransit service area.”⁶⁹² On-demand bus services offer “[c]urb-to-curb accessible transit service in Western Loudoun County for disabled county residents.”⁶⁹³ Individuals wanting to use Loudoun’s bus services are provided with easily accessible information to plan their routes via the LCT and Commuter Services website which provides users with access according their preferred language, gives users real-time commuter bus status updates, rider information, and a sign-up for bus rider alerts - all services designed to make the public transportation experience easier to navigate.⁶⁹⁴

⁶⁸⁷ See Commuter Bus, Loudoun County, <https://www.loudoun.gov/221/Commuter-Bus>.

⁶⁸⁸ See Loudoun Commuter Bus Schedule 2023, Loudoun County, https://www.loudoun.gov/DocumentCenter/View/161160/Premium-Commuter-Bus-12522_e?bidId= .

⁶⁸⁹ See Local Bus, Loudoun County, <https://www.loudoun.gov/3302/Local-Bus>.

⁶⁹⁰ See Metro Connection Bus Services, Loudoun County, <https://www.loudoun.gov/3088/Metro-Connection-Buses>.

⁶⁹¹ See Accessible Bus Service, Loudoun County, <https://www.loudoun.gov/3303/Paratransit-Bus-Service>.

⁶⁹² See id.

⁶⁹³ See id.

⁶⁹⁴ See Rider Information, Loudoun County <https://www.loudoun.gov/227/Rider-Information>.

Notably, specific public transportation options to and from the APA include Loudoun County’s paratransit bus services via [adaride.com](https://www.adaride.com)⁶⁹⁵ and Loudoun County’s fixed bus services via Route 55.⁶⁹⁶ The County, through its land use process, also secured public transportation improvements within the APA, to be constructed by private developers.⁶⁹⁷

Loudoun has dedicated significant funds and operational resources to its public transportation systems. In Loudoun’s FY2024 Proposed Budget, the Department of Transportation and Capital Infrastructure (“DTCI”) “manages capital facility planning, assists with the preparation of the capital budget, and the planning, design, and construction of capital projects for the County through the Capital Improvement Program (CIP).”⁶⁹⁸ DTCI also manages the County’s system of transportation, including public transit and commuter services, and transportation planning.⁶⁹⁹ The capital design and construction arm of DTCI works with the Department of Finance and Budget to plan, design and construct “capital transportation project[s], facilities and public infrastructure while ensuring compliance with applicable federal, state, and local codes.”⁷⁰⁰ The transportation services arm of DTCI “[p]rovides a complement of planning and policy oversight and operations for County provided public transit services,” including local connections to Metrorail, paratransit services and commuter bus services to the greater D.C. metro area.⁷⁰¹ It also serves as the County’s “liaison to the Washington Metropolitan Area Transit Authority for

⁶⁹⁵ See [Loudoun County Paratransit and Local Bus Service Map 622](https://www.loudoun.gov/DocumentCenter/View/170662/Loudoun-County-Paratransit-and-Local-Bus-Service-Map-622), Loudoun County, <https://www.loudoun.gov/DocumentCenter/View/170662/Loudoun-County-Paratransit-and-Local-Bus-Service-Map-622>.

⁶⁹⁶ See Loudoun County Transit, [Leesburg Fixed Routes & Safety Ride](https://www.loudoun.gov/DocumentCenter/View/111107/Route-55-56-57-5321_e?bidId=) (May 3, 2021), https://www.loudoun.gov/DocumentCenter/View/111107/Route-55-56-57-5321_e?bidId=.

⁶⁹⁷ See ZMAP-2012-0021, Proffer Statement.

⁶⁹⁸ See Loudoun FY24 Proposed Budget Vol. 1 at 5-30, <https://www.loudoun.gov/DocumentCenter/View/173744/FY-2024-Proposed-Budget---Volume-1>.

⁶⁹⁹ *Id.* at 5-30.

⁷⁰⁰ *Id.* at 5-30.

⁷⁰¹ *Id.* at 5-30.

mass transit services.”⁷⁰² The transportation planning and traffic engineering arm of DTCI manages and implements the Countywide Transportation Plan which includes securing funding for public transportation options in Loudoun County.⁷⁰³

Total expenditures for Transportation and Capital Infrastructure in FY2022 were \$20,653,196 and are set to increase to \$30,849,241 in FY2023 and then to over \$35 Million by FY2025.⁷⁰⁴ In terms of revenue, transportation and capital infrastructure generated just over ten million in 2022 and is only projected to increase slightly to just over eleven million in FY2023-2025.⁷⁰⁵ This means that the majority of expenditures will need to be funded increasingly by tax revenues, up to the amount of \$23,609,578 for FY2025.⁷⁰⁶ The number of DTCI FTEs is projected to increase slightly from thirty-six in FY2022 to thirty-nine in FY2023-2025.⁷⁰⁷ Unlike other county programs where personnel costs are the biggest expense, DTCI “expenditures have increased primarily due to operating and maintenance costs” which make up the majority of the DTCI budget.⁷⁰⁸ These costs comprise 84% of DTCI expenditures and are “associated with regular adjustments in transit service and routes, including a significant increase in fuel costs.”⁷⁰⁹

The pandemic and the increase in teleworking resulted in decreased ridership for public transportation and a subsequent decline in revenue in the recent past.⁷¹⁰ Now that the pandemic is receding, ridership is steadily increasing, and the DTCI has secured additional state grant revenue to offset costs.⁷¹¹ The main objective of DTCI is to provide “a safe and reliable transit system” by

⁷⁰² Id. at 5-30.

⁷⁰³ Id. at 5-30.

⁷⁰⁴ Id. at 5-31.

⁷⁰⁵ Id. at 5-31.

⁷⁰⁶ Id. at 5-31.

⁷⁰⁷ Id. at 5-31.

⁷⁰⁸ Id. at 5-32.

⁷⁰⁹ Id. at 5-32.

⁷¹⁰ Id. at 5-32.

⁷¹¹ Id. at 5-33.

meeting “needs of Loudoun residents” in annual transit ridership, local routes, Metro connection, paratransit ridership, and commuter bus ridership.⁷¹² In terms of numbers, annual transit ridership was 417,872 in FY2022 and is projected to increase annually to 1,157,332 by FY2025; local routes and paratransit ridership was 303,069 in FY2022 and is projected to increase annually to 675,968 by FY2025; and commuter bus ridership was 114,803 in FY2022 and is projected to increase annually to 481,364 by FY2025.⁷¹³

Additional public transportation options available to Loudoun County residents include a regional Metrorail network accessible through the 2020 Silver Line extension and three existing Metrorail stations in Loudoun which “provide a gateway to Loudoun County from Washington, D.C.”⁷¹⁴ The Washington Dulles International Airport, also located in Loudoun County, “provides a critical economic engine for leisure and business travel as well as cargo transport for the County and the larger Washington, D.C., region.”⁷¹⁵ It served nearly 22,800,000 passengers and 265,025 flights in 2017 and is currently only operating at “approximately one-third of its ultimate capacity.”⁷¹⁶ The General Plan promises to “[e]nsure new development does not create flight obstructions, or otherwise impede flight operations at Washington Dulles International Airport and Leesburg Executive Airport.”⁷¹⁷

The General Plan provides for growth and further development of Loudoun’s public transportation options. New employers will find Loudoun County desirable in large part because of the easy access the County provides to several different forms of public transportation including the planned growth of future Metrorail Stations.⁷¹⁸ Development within the County’s Urban Policy

⁷¹² *Id.* at 5-35.

⁷¹³ *Id.* at 5-35.

⁷¹⁴ *See* Loudoun General Plan at 1-8, 2-6.

⁷¹⁵ *Id.* at 1-8.

⁷¹⁶ *Id.*

⁷¹⁷ *Id.* at 5-10.

⁷¹⁸ *See id.* at 1-9, 2-6.

Areas (“UPA”) will be designed with an eye towards walkability and access to public transportation.⁷¹⁹ As described, these will become “near complete urban communities with multiple transit options and access to Washington Dulles International Airport.”⁷²⁰ The expansion of Metrorail service in Loudoun is anticipated to fuel the growth and development of this UPA community.⁷²¹ “All UPA communities will include transportation hubs that offer a wide array of transportation mode choices including walking, biking, driving, and transit.”⁷²² This walkable, accessible and transit oriented UPA community will help “protect their long-term tax revenue generation potential.”⁷²³

Looking forward, Loudoun intends to not only maintain the robust system of public transportation already in place in the County, but to expand and strengthen those resources so that public transportation may continue to meet the needs of an ever-growing population. By contrast, the Town of Leesburg does not have its own public transportation program. Instead, in its Transportation Improvement Plan, it describes working with Loudoun County’s public transportation to improve the commuter transportation experience for its residents.⁷²⁴

L. Solid waste collection and disposal (1 Va. Admin. Code § 50-20-540(10)(c))

The Loudoun County Solid Waste Management Planning District (the “County Waste District”) encompasses all the unincorporated areas of the County and all seven incorporated towns, including the Town of Leesburg.⁷²⁵ This means that the area proposed for annexation is serviced by and managed by the County Waste District with respect to solid waste collection and

⁷¹⁹ Id. at 2-26.

⁷²⁰ Id.

⁷²¹ Id.

⁷²² Id. at 2-27.

⁷²³ Id.

⁷²⁴ See Legacy Leesburg Transportation Improvement Plan 17 (March 22, 2022), <https://www.leesburgva.gov/home/showpublisheddocument/37580/637829527661770000> .

⁷²⁵ Loudoun County Waste Management Planning District, Solid Waste Management Plan 2-1 (April 21, 2004), <https://www.loudoun.gov/DocumentCenter/View/402/Chapter-2-Waste-Characterization-and-Quantities-?bidId=>.

disposal. The County Waste District’s Solid Waste Management Plan is comprehensive and clearly demonstrates the County’s capability to continue providing solid waste collection services to the area proposed for annexation.⁷²⁶

Neither the County nor the Town provide solid waste collection services to residents or businesses itself. The County and the seven incorporated Towns, including the Town of Leesburg, contract with private solid waste collector for the provision of solid waste collection services.⁷²⁷ Currently, the provision of solid waste collection services by the private sector is adequate to address the collection requirements of the Towns and more developed parts of Loudoun County.⁷²⁸ There is no need to expand or modify this system currently. The Solid Waste Management Plan provides that Loudoun County is responsible for the overarching support and long-term management for the County Waste District, which includes the Town of Leesburg and the APA.⁷²⁹

For example, Loudoun County’s primary role is “regulat[ing] the storage, collection, and transportation of solid waste and recyclables within the County.”⁷³⁰ Specifically, the County is responsible for planning and ensuring “available disposal capacity to meet needs,” operating a solid waste management facility as a public service,” and regulating “other solid waste management facilities to ensure protection of public health, safety and the environment.”⁷³¹ The Loudoun County Solid Waste Management Facility (the “County Facility”) is located four miles south of Leesburg, close to the APA, and is owned and operated by the County. The County

⁷²⁶ A key provision of the Loudoun County Solid Waste Management Plan is that participating jurisdictions, including the Town of Leesburg, engage in a “biennial review to assess the accuracy of the projections in the plan, to monitor how well the plan is addressing solid waste management needs of the District, and to recommend any changes to ensure the plan is response to the District needs.” See Loudoun County Waste Management Planning District, Solid Waste Management Plan (April 21, 2004) [hereinafter 2004 Loudoun Solid Waste Management Plan], <https://www.loudoun.gov/441/Solid-Waste-Management-Plan>.

⁷²⁷ See id. at 3-20, 8-5.

⁷²⁸ See id. at 5-1.

⁷²⁹ See generally id.

⁷³⁰ See id. at 3-2.

⁷³¹ See id. at 3-7–3-9.

Facility includes a sanitary landfill, a complete Recycling Dropoff Center, special recycling facilities, and a temporary storage facility; it is the only permitted disposal facility in the County Waste District.⁷³²

In practice, the private contractors who collect solid waste throughout the County Waste District, including in the Town of Leesburg and the APA, transport that collected waste to the County Facility for processing, which is managed by Loudoun.⁷³³ “Operations [of the County Facility] include on-site disposal of municipal solid waste generated by Loudoun’s residents, businesses, public schools, nonprofit organizations, towns, and the County government.”⁷³⁴ Notably, even if some solid wastes are permitted to go to a private transfer facility, the County Waste Facility is the emergency backup to the primary disposal option, and also the disposal option for residents and business who cannot, or choose not, to obtain a collection service.⁷³⁵ As demonstrated by its management of the County Waste Facility, Loudoun serves as the backbone of other solid waste management efforts for the APA, and the Town of Leesburg.

The solid waste management system in the County Waste District “is comprised of many components, each with its own streams of revenue and cost.”⁷³⁶ This collection system is referred to as “solid waste marketplace” where funds flow from the movement of solid waste from “doorstep to doorstep” in the case where consumers place recyclables at their curbside and then purchase recycled content goods.⁷³⁷ This cost and revenue-generating feature of Loudoun County’s solid waste collection system is a significant sector of the County’s economy, estimated

⁷³² See *id.*

⁷³³ See *id.* at 3-20, 8-5.

⁷³⁴ See FY20 Program Review at 1-81, <https://www.loudoun.gov/DocumentCenter/View/157892/FY-2020-Program-Review---Loudoun-County>.

⁷³⁵ 2004 Loudoun Solid Waste Management Plan at 6-3, <https://www.loudoun.gov/DocumentCenter/View/406/Chapter-6-Objectives?bidId=>.

⁷³⁶ See *id.* at 8-1.

⁷³⁷ *Id.* at 8-1.

to be \$35 million annually.⁷³⁸ A commercial business pays an average monthly cost of \$100 (an average yearly cost of \$1,200) for solid waste collection services, which includes disposal and tipping fees paid by collectors.⁷³⁹ The County has a robust waste management system that is offset by low collection costs for both commercial businesses and residents.

Furthermore, the County not only focuses on collection and facility management, but it also has the forward-facing goal of sustainability. One of the stated goals in the Loudoun County General Plan is to continue to “implement an integrated solid waste management strategy that prioritizes reduction, reuse, and recycling of solid waste above resource recovery, incineration, and disposal into landfills.”⁷⁴⁰ It is the County that ensures that there is always an acceptable means of local waste disposal through the County’s landfill operations.⁷⁴¹ Loudoun County is also a part of the Metropolitan Washington Council of Governments (“MWCOG”), which focuses on several environmental planning areas, including solid waste.⁷⁴² The County assists MWCOG in advancing its goals for clean water, air, and land, and a more sustainable region overall.

The County’s General Fund also provides an annual appropriation to education and public information” related to “solid waste guides,” “special collection events,” and “news releases and presentations on solid waste management and recycling.”⁷⁴³ Loudoun County also funds grants to the Towns for their participation in these educational programs. For example, the County administers the Virginia Litter Prevention and Recycling Grant program for the entire County

⁷³⁸ *Id.*

⁷³⁹ *Id.* at 8-3.

⁷⁴⁰ *See* Loudoun General Plan at 6-23.

⁷⁴¹ *See id.*

⁷⁴² *See id.* at 3-13 to 3-14.

⁷⁴³ 2004 Loudoun Solid Waste Management Plan at 8-14.

Waste District.⁷⁴⁴ By participating as a cooperative group in the grant program, the Towns are eligible to receive greater annual funding amounts.⁷⁴⁵

Loudoun County has a robust, comprehensive, and forward-facing Solid Waste Management Plan that both supports and benefits the Town of Leesburg and the APA. The APA would not experience enhanced solid waste collection services, or decreased costs, if it were annexed into the Town of Leesburg. The APA already benefits from the County's solid waste management efforts and the County is amply capable of providing solid waste collection services to the APA.

M. Economic Development

Since 1980, Loudoun has seen a five-fold increase in population.⁷⁴⁶ Loudoun's economic growth has been just as explosive.^{747, 748} It is the wealthiest county in the United States when measured by household income, with a median household income of \$153,506.⁷⁴⁹ In fiscal year 2022, Loudoun had \$1,955,478,361 in total tax revenues and a total taxable assessed property value of over \$136 billion.⁷⁵⁰ According to the U.S. Bureau of Economic Analysis, Loudoun had the 154th largest GDP of the 3113 counties surveyed in 2021.⁷⁵¹

⁷⁴⁴ Id. at 8-14.

⁷⁴⁵ Id.

⁷⁴⁶ Department of Finance & Budget & Division of Accounting, Finance & Operation, Annual Comprehensive Financial Report 42 (2022), <https://www.loudoun.gov/DocumentCenter/View/172861/FY-2022-Loudoun-Annual-Comprehensive-Financial-Report>.

⁷⁴⁷ Loudoun's population increased by 44.6% between 2001 and 2021. In inflation adjusted dollars, its GDP increased by 44.4% during the same period.

⁷⁴⁸ Regional Data – GDP and Personal Income, Bureau of Economic Analysis, <https://tiny1.io/8fbu>; QuickFacts – Loudoun County, Virginia, United States Census Bureau, <https://tiny1.io/8fdR>; County Intercensal Tables: 2000-2010, United States Census Bureau, <https://tiny1.io/8fdS>.

⁷⁴⁹ Department of Finance & Budget & Division of Accounting, Finance & Operation, Annual Comprehensive Financial Report 8 (2022), <https://www.loudoun.gov/DocumentCenter/View/172861/FY-2022-Loudoun-Annual-Comprehensive-Financial-Report>.

⁷⁵⁰ Id. at 208–209.

⁷⁵¹ Regional Data – GDP and Personal Income, Bureau of Economic Analysis, <https://tiny1.io/8fbu>.

For many years, the County’s economic development efforts have examined Loudoun’s strengths and opportunities and targeted clusters and overlays of businesses that demonstrate the largest employment sectors, past growth, or potential for future gains based on innovations and trends in the market.⁷⁵² Loudoun’s current economic policies focus on three “clusters.”⁷⁵³ The first cluster is information and communications technology.⁷⁵⁴ This cluster includes data analytics and technology, cybersecurity, and data centers.⁷⁵⁵ The second cluster is highly specialized manufacturing, consisting of companies that produce high-value components that are precisely machined for cutting-edge technologies.⁷⁵⁶ The third cluster consists of agricultural businesses.⁷⁵⁷ Despite being one of the most tech-forward economies in the United States, Loudoun has over 1,200 farms, and its agricultural and agritourism sectors accounted for over \$1.6 billion in business in the fiscal year 2016.⁷⁵⁸ In addition to these clusters, Loudoun supports substantial economic activity in the Federal Government Contracting, Aerospace, Defense, Aviation, Transportation, and Health industries.⁷⁵⁹ Some of Loudoun’s largest private employers include: INOVA Health System, Walmart, Dynalectric, Northrop Grumman, Raytheon Technologies, United Airlines, Inc., Verizon, and Amazon.⁷⁶⁰

Loudoun’s Department of Economic Development helps foster this booming business climate. Buddy Rizer, an internationally recognized leader in economic development, leads the Department, which has 28 full-time equivalent employees and a budget of approximately \$5.5

⁷⁵² Loudoun General Plan at 5-4.

⁷⁵³ Id. at 5-4.

⁷⁵⁴ Id. at 5-4.

⁷⁵⁵ Id. at 5-4.

⁷⁵⁶ Id. at 5-5.

⁷⁵⁷ Id. at 5-5.

⁷⁵⁸ Id. at 5-5.

⁷⁵⁹ Industry Sectors, Loudoun Virginia Economic Development Authority, <https://biz.loudoun.gov/key-business-sectors/>.

⁷⁶⁰ *See* Loudoun FY2024 Adopted Budget Vol. 1 at i-7; Major Employers, Loudoun Virginia Economic Development Authority, <https://biz.loudoun.gov/information-center/major-employers/>.

million.⁷⁶¹ In the fiscal year 2023, the Department conducted 850 business site visits, worked with 675 separate businesses, developed 375 prospects for new companies, and provided ombudsman assistance 125 times.⁷⁶² Loudoun has streamlined its permitting process and assembled an inter-department “Business Assistance Team” to shepherd new businesses through the regulatory system and dedicated staff to fast track new business development.⁷⁶³ It also maintains a free to use database of commercial land and dedicated staff to help businesses find storefronts and office space.⁷⁶⁴

The County has also benefitted from its creation of the Economic Development Authority of Loudoun County, Virginia (the “EDA”), which was formed by the Board of Supervisors in 1974.⁷⁶⁵ Although created by the Board of Supervisors for the betterment of the County and its towns, the EDA is a separate political subdivision, incorporated under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia, 1950, as amended, and provides an alternate source for financing and advocacy for economic development projects in Loudoun.⁷⁶⁶ The EDA is governed by a Board of Directors consisting of seven members, who are appointed by the Board of Supervisors to four-year terms.⁷⁶⁷ The Directors of the EDA bring a wealth of knowledge and experience to the County’s economic development activities, with board members from the commercial real estate and financial sectors capable of providing access to much needed

⁷⁶¹ Staff Directory, Loudoun Virginia Economic Development Authority, <https://biz.loudoun.gov/staff-directory/buddy-rizer/>; Loudoun FY24 Proposed Budget Vol. 1 at 5-11-5-15.

⁷⁶² Staff Directory, Loudoun Virginia Economic Development Authority, <https://biz.loudoun.gov/staff-directory/buddy-rizer/>; Loudoun FY24 Proposed Budget Vol. 1 at 5-11-5-15.

⁷⁶³ Loudoun County Business Assistance Team, Loudoun County, <https://www.loudoun.gov/2844/Business-Assistance-Team>; Fast-Track Commercial Incentive Program, Loudoun Virginia Economic Development Authority, <https://biz.loudoun.gov/fast-track-process/>.

⁷⁶⁴ Available Commercial Land Inventory, Loudoun Virginia Economic Development Authority, <https://biz.loudoun.gov/available-land-database/>; Site Selection, Loudoun Virginia Economic Development Authority, <https://biz.loudoun.gov/site-selection/find-your-location/>.

⁷⁶⁵ Loudoun County, Va. § 260.02.

⁷⁶⁶ See generally, Va. Code § 15.2-4900 *et seq.*

⁷⁶⁷ Loudoun County, By-Laws of the Economic Development Authority of Loudoun County, Virginia Article II Section 1 (2018), <https://biz.loudoun.gov/wp-content/uploads/2017/02/EDA-By-Laws.pdf>.

real estate and capital.⁷⁶⁸ Further, the EDA maintains an advisory council of smaller business owners and leaders, the Economic Development Advisory Commission, to provide current business intelligence on the County’s business climate.⁷⁶⁹ Loudoun’s economic development knowledge base is further rounded out by its Rural Economic Development Council (“REDC”).⁷⁷⁰ The REDC provides input from Loudoun’s agricultural and rural sectors, leading to such successful programs as the Take Loudoun Home campaign, a county-sponsored online marketplace for Loudoun agricultural products, three year-round farmers markets, nine seasonal markets, and the Rural Business Uses Guide to help rural businesses develop new uses on existing property.⁷⁷¹ The EDA’s complementary subject matter expertise is a great benefit to the County’s in addition to cooperation in the pursuit of Loudoun’s strategic economic development efforts.

As a component of these efforts, Loudon and the EDA have developed a suite of incentives and processes to attract new economic growth. For example, Loudon County has a program to match any Virginia Commonwealth opportunity fund contribution.⁷⁷² This program serves to attract businesses that create high-paying jobs and invest in the local transportation infrastructure.⁷⁷³ Loudon also has a program to fast-track new businesses and projects in the information communication technology, federal government contracting, and aerospace industries.⁷⁷⁴ Projects in Loudoun's fast track receive a dedicated project manager to move the

⁷⁶⁸ Economic Development Authority Directors and Staff, Loudoun Virginia Economic Development Authority, <https://biz.loudoun.gov/economic-development-authority/directory/>.

⁷⁶⁹ Economic Development Advisory Commission, Loudoun County Economic Development Authority, <https://biz.loudoun.gov/about-us/our-organizations/economic-development-advisory-commission/>.

⁷⁷⁰ Rural Economic Development Council, Loudoun County Economic Development Authority, <https://biz.loudoun.gov/redc/>.

⁷⁷¹ Loudoun County’s Rural Economic Business Development Strategy Update – 2021, Loudoun County Economic Development Authority, <https://tiny1.io/8fhh>.

⁷⁷² Loudoun County Economic Development Authority Incentives, Loudoun County Economic Development Authority, <https://tiny1.io/8fgq>.

⁷⁷³ Loudoun County Economic Development Authority Incentives, Loudoun County Economic Development Authority, <https://tiny1.io/8fgq>.

⁷⁷⁴ Fast-Track Commercial Incentive Program, Loudoun Virginia Economic Development Authority, <https://biz.loudoun.gov/fast-track-process/>.

project through the county's development process and prioritize these projects for the county reviewing agencies.⁷⁷⁵ Furthermore, Loudon has extensive experience assisting new and established businesses to access the Commonwealth's various direct financing programs.⁷⁷⁶ Finally, Loudon's economic development authority has extensive experience arranging tax-exempt revenue bonds to assist certain qualified nonprofit entities.⁷⁷⁷

By contrast, Leesburg's economic development efforts focus on "businesses in industry segments that match both the employment and service needs and of local residents [sic], while operating in conjunction with the existing business community."⁷⁷⁸ Leesburg's comprehensive plan focuses on how to tax data centers within the annexation area and how to mitigate the draw on the electrical system.⁷⁷⁹ Similarly, Leesburg's budget only discusses data centers as a potential challenge to the utilities fund.⁷⁸⁰ Leesburg's Department of Economic Development website, chooseleesburg.org, makes no reference to the data center industry or any particular experience with the industry.⁷⁸¹

The economic development services provided by Loudoun have critically contributed to the APA being put to productive use. Further, the level of services provided by Loudoun to promote and retain industry within the County are better able to serve the potential needs of the APA looking to the future.

⁷⁷⁵ Fast-Track Commercial Incentive Program, Loudoun Virginia Economic Development Authority, <https://biz.loudoun.gov/fast-track-process/>.

⁷⁷⁶ Business Incentives/Financing, Loudoun Virginia Economic Development Authority, <https://tinyl.io/8fgw>.

⁷⁷⁷ Tax-Exempt Bond Financing, Loudoun County Economic Development Authority, <https://tinyl.io/8fgz>.

⁷⁷⁸ Notice by the Town of Leesburg of Its Intention to Petition for Annexation of Territory in the County of Loudoun and Supporting Data, 101, September 28, 2022.

⁷⁷⁹ Town of Leesburg, Legacy Leesburg 117-118, 162 (2022), <https://tinyl.io/8rkD>.

⁷⁸⁰ Town of Leesburg, Fiscal Year 2024 Adopted Budget, 18 (2023), <https://tinyl.io/8rkG>.

⁷⁸¹ Choose Leesburg, Town of Leesburg Department of Economic Development, <https://chooseleesburg.com/>.

Section 9 Compliance with State Policies

1 Va. Admin. Code § 50-20-540(11)

Loudoun County consistently aligns its policies with the state service policies promulgated by the General Assembly. Its efforts are readily observable in the areas of environmental protection, public planning, education, public transportation, and housing.

Located just south of the nation's capital, Loudoun is a thriving community with public services provided to enrich the lives of its citizens, including families, commuters, and outdoor enthusiasts. To continue to meet the needs of this diverse community Loudoun understands that it is imperative to continue its strong efforts to (1) be a good steward of the environment, enabling generations of residents to enjoy the natural resources of the County and Commonwealth; (2) responsibly manage the territory under its jurisdiction and plan investment in public facilities; (3) provide a world-class public education system in order to support its residential and commercial areas and grant the children of the County with the best possible opportunities; (4) promote accessible, cost efficient, hassle free and environmentally-sound transportation options; and (5) promote and support safe, secure, and affordable housing opportunities for all County residents.

Critical to these statewide policy goals is the provision of government services through cooperation and collaboration with neighboring localities.

Environmental Protection

Loudoun's Extensive Commitment to Environmental Protection mirrors state policy goals.

Virginia's Department of Environmental Quality ("DEQ"), an executive branch state agency created by the General Assembly, works in conjunction with other state agencies and public bodies to protect "Virginia's abundant natural resources[,] provide a rich environment for people,

plants and wildlife...and benefit agriculture, industry, commerce and economic development.”⁷⁸² In order to accomplish its primary goal, to “[a]chieve focused, more efficient programs to meet or exceed environmental standards,”⁷⁸³ DEQ established a number of focus areas to wholistically address aspect of the Commonwealth’s environment. These include (1) developing and implementing effective programs to mitigate climate change impacts and continue air quality improvements; (2) conducting comprehensive planning for sustainable management of the commonwealth’s water resources; (3) strengthening stormwater management programs; (4) leading the commonwealth’s watershed impaired water improvement efforts; (5) leading the commonwealth’s greening of government efforts; and (6) ensuring a responsive and efficient Pollution Response Program.⁷⁸⁴

1. Developing and implementing effective programs to mitigate climate change impacts and continue air quality improvements.

Loudoun has been a consistent partner in advancing efforts to improve the air quality in Loudoun and surrounding areas. Loudoun recently released its 2023 Loudoun County Energy Strategy (“County Energy Strategy”) as a “a blueprint for realizing the County’s vision to contribute to achieving Virginia’s goals of net zero greenhouse gas (GHG) emissions by 2045 and a carbon-free grid by 2050 while ensuring energy is clean, reliable, and affordable for all residents and businesses in Loudoun County.”⁷⁸⁵ The County Energy Strategy recognizes Loudoun’s position as a “regional leader in economic development, purchasing power, and quality of life” and aims to establish Loudoun as “lead[ing] by example through strategies and actions that reduce

⁷⁸² About Us, Virginia Department of Environmental Quality [hereinafter Virginia Department of Environmental Quality], <https://www.deq.virginia.gov/get-involved/about-us>.

⁷⁸³ Id.

⁷⁸⁴ Id.

⁷⁸⁵ Loudoun County, Loudoun County Energy Strategy 1 (2023) [hereinafter County Energy Strategy], <https://www.loudoun.gov/DocumentCenter/View/174600/Loudoun-County-Energy-Strategy-Final-Report---2023>.

energy consumption, increase energy efficiency and the use of clean energy, and reduce GHG emissions of its own operations.”⁷⁸⁶ The County Energy Strategy presents a wholistic approach to achieve state GHG emission reduction goals by “outlining strategies and actions that can be taken by the County, key partners, and the publics.”⁷⁸⁷ Additionally, by realizing the goals presented in the County Energy Strategy, Loudoun hopes to equalize access “to low-cost, reliable energy.”⁷⁸⁸

Loudoun also advocates joint efforts by the County and community to “facilitate access to and development of clean energy in the county. The actions within this strategy encourage the County to explore low carbon fuels; promote onsite renewables; and explore power purchase agreements (PPAs), net metering, and other opportunities for increasing clean energy supply and use in the community. Through Goal Area 2, the County will support the development and use of clean energy in municipal operations and the greater community to lower emissions and provide benefits for all of Loudoun County.”⁷⁸⁹

“The primary focus of Goal Area 3 is to encourage community members to take action to reduce their GHG emissions. This goal area builds upon the County’s example set in Goal Area 1 and the clean energy deployment established in Goal Area 2. Goal Area 3 strategies and actions will promote reductions in transportation and building emissions, establish energy-focused community education programs, and develop a community supported plan to ensure the Energy Strategy is enacted equitably.”⁷⁹⁰ The County does this through encouraging community members to increase ease of access to and availability of electric vehicle charging stations, increasing access

⁷⁸⁶ County Energy Strategy at 1; *see* Loudoun Popular Annual Financial Report 16 (noting the plan is intended to promote and incentivize clean and renewable energy sources such as solar energy to reduce greenhouse gas emissions from both county operations and other community sectors”).

⁷⁸⁷ County Energy Strategy at 1.

⁷⁸⁸ Id.

⁷⁸⁹ Id. at 3.

⁷⁹⁰ Id.

to public transportation and alternate modes of transportation such as bicycling and walking, training community members to conserve energy through things like home weatherization and increase access to information about tax credits and financial incentives available for adoption of energy conservation measures and utilization of financial benefits accruing to the County to ensure that energy efficiency is distributed across all populations.⁷⁹¹ Additionally, “the county’s newly adopted Environmental and Energy Work Plan will guide policies and practices related to the environment, sustainability and energy management. One of the Plan’s initiatives is enhancing natural resources, such as trees, wildlife, watershed and land conservation through programs aimed at tree preservation, the creation of wildlife corridors and implementation of projects from watershed management plans.”⁷⁹²

The County is confident that “if all the strategies and actions included in this plan are implemented, total GHG emissions for the county are projected to decrease 56% from 2018 levels by 2050. That is equivalent to taking 742,500 gasoline cars off the road annually by 2050.”⁷⁹³

2. Conducting comprehensive planning for sustainable management of water resources.

In approximately 2007, recognizing the importance of water quality and the ability of all its residents to access clean water, Loudoun established a taskforce to conduct a needs assessment that would provide a “detailed, systematic approach to solve existing and potential future water and wastewater problems in the county.”⁷⁹⁴ “The purpose of the assessment was to provide an overview of existing water and wastewater issues in the county and to identify communities with

⁷⁹¹ See *id.* at 5.

⁷⁹² Loudoun Popular Annual Financial Report at 16.

⁷⁹³ County Energy Strategy at 3.

⁷⁹⁴ See *Waste & Wastewater Needs Assessment Work Plan*, Loudoun County, <https://www.loudoun.gov/3633/Background-Needs-Assessment>.

potential water and wastewater needs.”⁷⁹⁵ The taskforce drafted a report of its findings and presented the report to the Board of Supervisors. These efforts “helped to establish a method for gathering requests from communities in need of assistance from the county, and established procedures that the county would follow in providing support to communities that have been prioritized.”⁷⁹⁶

In furtherance of this effort, Loudoun Water and Loudoun Board of Supervisors executed an MOU in 2015 to address “community water and wastewater issues in unincorporated areas of Loudoun County.”⁷⁹⁷ The County and Loudoun Water wished to leverage their collective strengths, Loudoun Water in technical areas such as “facility planning land use processes, design, construction, operation and maintenance” while the County undertook the community education and engagement role as well as searching for adequate funding whether in the County’s budget or through other programs.⁷⁹⁸

The County currently offers technical and financial assistance to “communities experiencing issues with deficient or absent water and/or wastewater systems to help prevent and solve community water and wastewater issues” through its Water and Wastewater Program: Community Project Assistance program.⁷⁹⁹ The County designed the program to “support Loudoun County communities experiencing issues with deficient or non-existent water and/or wastewater systems with funding and other resources by “[a]dministering a comprehensive

⁷⁹⁵ Id.

⁷⁹⁶ Id.

⁷⁹⁷ Loudoun, Community Water and Wastewater Program Memorandum of Understanding 1 (June 9, 2015) [hereinafter Community Water MOU], <https://www.loudoun.gov/DocumentCenter/View/117161/MOU-Community-Water-and-Wastewater-Program?bidId=.n>.

⁷⁹⁸ *See* Community Water MOU at 2.

⁷⁹⁹ Water and Wastewater Program: Community Project Assistance, Loudoun County [hereinafter Community Project Assistance], <https://www.loudoun.gov/3650/Community-Project-Assistance>; *see also* Loudoun County, Water & Wastewater Needs Assessment Community Prioritization Manual (Oct. 2013) [hereinafter Water & Wastewater Needs Manual], [https://www.loudoun.gov/DocumentCenter/View/117160/Prioritization-Manual?bidId=.](https://www.loudoun.gov/DocumentCenter/View/117160/Prioritization-Manual?bidId=)

program that funds and addresses multiple types of water and wastewater issues; Loudoun is able to “[f]ocus[] [its] resources on communities that want assistance; and prevent[]communities from being bypassed in the central service area.”⁸⁰⁰

3. Strengthening stormwater management programs.

Similarly, Loudoun is demonstrating sustained attention to the Commonwealth’s focus on strengthening stormwater management programs. In 2003, Loudoun adopted Chapter 1096: Stormwater Management Ordinance and has amended the provisions as appropriate to reflect the County’s growing population and to implement changes in federal and state law and guidance.⁸⁰¹

Loudoun’s Stormwater Management Program (“SMP”) “addresses the design, development, improvement, operation, inspection, maintenance, and oversight of the stormwater management system.”⁸⁰² The SMP was most recently updated for the five year period beginning in 2018 and recognizes that as Loudoun grows to accommodate the needs of its current and future residents, the County must meet certain criteria with respect to “the quality and quantity of stormwater runoff.”⁸⁰³ The National Pollutant Discharge Elimination System, administered by the Environmental Protection Agency, requires that the SMP contain solutions and/or mitigation strategies to address (1) construction site runoff control (2); Illicit discharge detection and elimination; (3) Pollution prevention /good housekeeping; (4) Post-construction runoff control; (5) Public education and outreach; and (6) Public participation / involvement.⁸⁰⁴

⁸⁰⁰ See Community Project Assistance.

⁸⁰¹ Stormwater Management Program, Loudoun County [hereinafter Stormwater Management Program], <https://www.loudoun.gov/686/Stormwater-Management-Program>.

⁸⁰² Id.

⁸⁰³ See Stormwater Management Program; see generally Loudoun County, Loudoun County Small Municipal Separate Storm Sewer System (MS4) Stormwater Management Program Plan (Nov. 29, 2021) [hereinafter MS4 Plan], <https://www.loudoun.gov/DocumentCenter/View/128225/Program-Plan-2018-2023-PDF>.

⁸⁰⁴ Stormwater Management Program.

Loudoun sought and received matching grants totaling more than \$4 million from DEQ's Stormwater Local Assistance Fund ("SLAF") for stream restoration and local water quality improvement projects.⁸⁰⁵ The SLAF program "provides 50/50 matching grants to local governments for the design and implementation of stormwater best management practices that reduce water quality pollutant loads in local waterways and the Chesapeake Bay."⁸⁰⁶ Loudoun will use these funds to complete four projects that will all contribute to increased water quality throughout the County. The Ashburn Lake Pond Enhancement "will increase the lake's ability to treat pollutants and enhance water quality to local waterways and the Chesapeake Bay."⁸⁰⁷ The Conklin Park Stream Restoration "will restore an unnamed tributary to Elk Creek. The reduction of phosphorus, nitrogen and sediment in the stream will enhance water quality in the Potomac River and Chesapeake Bay."⁸⁰⁸ The Rostormel Court Outfall Restoration "will repair and restore a highly eroded outfall channel, or discharge point, located within a stormwater easement."⁸⁰⁹ Loudoun will use the remaining portion of the grant to purchase nutrient credits as part of the county's efforts to limit the amount of pollutants that can enter the Chesapeake Bay.⁸¹⁰ These projects will improve water quality in the Chesapeake Bay and result in positive impacts to other county water sources such as Beaverdam Run, Broad Run, and the Potomac River.⁸¹¹ Loudoun anticipates that construction will begin this year or early next year.⁸¹²

⁸⁰⁵ Loudoun Awarded Matching Grants for Water Quality Improvements, Loudoun County, <https://www.loudoun.gov/CivicAlerts.aspx?AID=8184>.

⁸⁰⁶ Id.

⁸⁰⁷ Id.

⁸⁰⁸ Id.

⁸⁰⁹ Id.

⁸¹⁰ *See id.*

⁸¹¹ Id.

⁸¹² Id.

4. Leading the commonwealth’s watershed impaired water improvement efforts.

Loudoun has 17 watersheds or 161 subwatersheds and is committed “to meet pollution reductions under the Total Maximum Daily Load or TMDL established by the EPA for the Chesapeake Bay as required for [Virginia].”⁸¹³ Loudoun’s “Phase II Chesapeake Bay TMDL Action Plan updates and supersedes Loudoun County’s previous strategies” and “incorporates the new [DEQ] guidance and updates the Best Management Practices (BMPs) proposed to achieve pollutant reduction targets.”⁸¹⁴

The County’s Small Municipal Separate Storm Sewer System Stormwater Management Program Plan (“MS4 permit”) requires the development and implementation of action plans for impaired streams where a Total Maximum Daily Load (“TMDL”) assigns a waste load allocation (“WLA”) to the County that has been approved by the State Water Control Board.⁸¹⁵ Virginia subsequently adopted a Watershed Implementation Plan (“WIP”) that establishes the framework for meeting the Chesapeake Bay TMDL.⁸¹⁶ The Virginia WIP states that MS4 permit holders will implement a phased approach to reduction targets over three five-year permit cycles in accordance with the following: 5% by the end of the first permit cycle (June 30, 2018); 40% by the end of the second permit cycle (2023); and, 100% by the end of the third permit cycle (2028).⁸¹⁷

The major sources of stream impairment in Loudoun County are: stormwater pollution (also known as Non-Point Source pollution or NPS pollution), agriculture and livestock (grazing and feeding operations), animal waste (waterfowl, pets, other), land development (construction),

⁸¹³ What is the Phase II Watershed Implementation Plan, Loudoun County, <https://www.loudoun.gov/faq.aspx?qid=582>; see generally Section 3, Maps 12 & 13.

⁸¹⁴ Chesapeake Bay TMDL Action Plan 2022 Update.

⁸¹⁵ Id.

⁸¹⁶ Id.

⁸¹⁷ Id.

and septic systems.⁸¹⁸ Loudoun County met the 5% reduction requirement for the first permit cycle.⁸¹⁹ This Phase II Chesapeake Bay TMDL Action Plan establishes the County’s 40% reduction target and identifies the BMPs for achieving the target in accordance with the 2018 MS4 permit, DEQ Guidance Memo No. 20-2003, and other guidance received by DEQ.⁸²⁰

Additionally, “the county’s newly adopted Environmental and Energy Work Plan will guide policies and practices related to the environment, sustainability and energy management.”⁸²¹ The County established a number of initiatives in the plan including “[e]nhancing natural resources, such as trees, wildlife, watershed and land conservation through programs aimed at tree preservation, the creation of wildlife corridors and implementation of projects from watershed management plans.”⁸²²

5. Greening of government efforts.

Recognizing the example that can be set by a strong governmental approach, Loudoun County assessed its own contributions to air quality and implemented projects to significantly decrease its carbon footprint. Loudoun established the “Loudoun County Employee Energy Conservation Program [which] provides guidance and education to reduce energy consumption and costs, improve energy efficiency and facilitate energy conservation in county facilities. This includes an energy awareness pledge campaign and the Energy Conservation Committee.”⁸²³ The campaign and its associated committee incentivize Loudoun employees to take steps within their sphere to improve the environment. These opportunities include the installation of “solar arrays at

⁸¹⁸ [A Resident’s Guide for a Cleaner Environment: Help Protect Loudoun County’s Streams and Lakes](https://www.loudoun.gov/DocumentCenter/View/129400/General-Guide-English-PDF?bidId=), Loudoun County [hereinafter Resident’s Guide], <https://www.loudoun.gov/DocumentCenter/View/129400/General-Guide-English-PDF?bidId=>.

⁸¹⁹ Chesapeake Bay TMDL Action Plan 2022 Update.

⁸²⁰ Id.

⁸²¹ Loudoun Popular Annual Financial Report at 16.

⁸²² Id.

⁸²³ Energy Strategy, Loudoun County, <https://www.loudoun.gov/energystategy> (click on “County Government Energy Initiatives”).

several facilities” including, the Youth Shelter Buildings, the Homeless Shelter building and the Harmony Park & Ride. These arrays generate power to operate both facilities and produce income from the Renewable Energy Credits.”⁸²⁴ Additionally, “Loudoun enacted programs to promote employee education and leadership in energy conservation, and is a U.S. Environmental Protection Agency ENERGY STAR partner.”⁸²⁵

“Strategies and actions within this goal area aim to increase clean energy deployment, improve energy efficiency, and reduce GHG emissions from County facilities; reduce County fleet and employee travel emissions; reduce emissions from the County landfill; and improve communication regarding County progress on implementing the Energy Strategy.”⁸²⁶ Loudoun determined that a “full 2% of total community [greenhouse gas] GHG emissions are attributable to Loudoun County government operations.”⁸²⁷ To assist in decreasing these emissions, “Loudoun County is moving toward its goal of procuring zero emissions vehicle for its fleet.”⁸²⁸

Additionally, the Environmental and Energy Work Plan includes a number of initiatives directed to decreasing greenhouses and other contributors to environmental degradation by the government itself. One such initiative – Government by example – “includes programs to enhance the sustainability of Loudoun County government operations.”⁸²⁹ These programs required the County, to “update the written materials for county-owned facilities within the MS4 boundary,”⁸³⁰ conduct an “[a]nnual review of County owned or operated facilities and development of new

⁸²⁴ Id.

⁸²⁵ County Energy Strategy at 2.

⁸²⁶ Id. at 3.

⁸²⁷ Id. at 2. The contribution of Loudoun County government operations to greenhouse gas emissions is calculated using “energy consumed in County-owned or operated buildings, cars, and trucks.”

⁸²⁸ Id.

⁸²⁹ Loudoun Popular Annual Financial Report at 16.

⁸³⁰ MS4 Plan at 29.

[Stormwater Pollution Prevention Plans (SWPPP)] as needed,”⁸³¹ and “[i]nvestigate all unauthorized discharges to the MS4 at County owned or operated facilities with a SWPPP.”⁸³²

6. Ensuring a responsive and efficient Pollution Response Program.

The County’s Pollution Response Program wholistically focuses on efforts of all participants in Loudoun’s economy – government, business, and residents. Loudoun’s Energy Strategy and its programs designed to increase water quality and decrease the level of pollutants and foreign substances in Loudoun’s water supply and those tributaries that feed into the Chesapeake Bay and other large bodies of water demonstrate Loudoun’s commitment to decrease pollution. Loudoun supplements these efforts with outreach and education to engage the business community and residents in these efforts.

On May 11, 2023 the Loudoun County Environmental Commission hosted an Environment Forum. The Board of Supervisors created this Commission in 2021 “to advise the Board on policies and practices dealing with the environment, sustainability and the management of energy.”⁸³³ The free forum open to the Loudoun community “[featured] information stations where members of the public may learn about ongoing activities in the areas of energy and the environment and provide comments. Topics [included]: The Loudoun County Energy Strategy, Energy Equity, Solar Ordinances, Tree Protection, Wildlife Corridors, and Watershed Management.”⁸³⁴

In addition to the forum, Loudoun also publishes reference brochures to educate residents about simple, but effective strategies that they can adopt to decrease pollution in Loudoun

⁸³¹ Id. at 31.

⁸³² Id. at 32.

⁸³³ Environmental Commission Hosts Energy & Environment Forum May 11, Loudoun County, <https://www.loudoun.gov/CivicAlerts.aspx?AID=8304>.

⁸³⁴ Id.

County.⁸³⁵ These brochures include suggestions about the proper disposal of “[a]utomotive products (motor oil, gasoline, antifreeze, road salt)” by suggesting that residents promptly repair automobile oil leaks and dispose of petroleum products safely at a recycling center instead of pouring them onto the ground or into a storm drain.⁸³⁶ They suggest cleaning automobiles at a commercial car wash where water and detergent use is regulated instead of at home where non-eco friendly products may be used.⁸³⁷ Finally, they recommend judicious and timely use of fertilizers and pesticides or that they are not used at all or at least not used immediately prior to a heavy rainfall, properly dispose of pet waste in the garbage, and regularly inspecting septic systems to ensure that they are pumped out every 3-5 years.⁸³⁸

Loudoun County respects and appreciates its natural resources and the need to conserve them for the benefit of County residents and to ensure that its efforts to decrease pollution in Loudoun have a positive effect for neighboring jurisdictions. Thus, like the Commonwealth that “carries out its mission to protect and improve the environment for the health, well-being and quality of life of all Virginians” Loudoun commits to its many environmental initiatives “[t]o ensure the continued vitality of these precious and valuable resources.”⁸³⁹

Public Planning

The General Assembly requires the planning commission in every locality to “prepare and recommend a comprehensive plan for the physical development of the territory within its jurisdiction and every governing body shall adopt a comprehensive plan for the territory under its jurisdiction.”⁸⁴⁰ Accordingly, the Board of Supervisors adopted the *Loudoun County 2019*

⁸³⁵ Resident’s Guide.

⁸³⁶ Id.

⁸³⁷ Id.

⁸³⁸ Id.

⁸³⁹ See Virginia Department of Environmental Quality.

⁸⁴⁰ Va. Code § 15.2-2223.

Comprehensive Plan, consisting of the *Loudoun County 2019 General Plan* (the “General Plan”),⁸⁴¹ the *2019 Countywide Transportation Plan* (the “2019 CTP”),⁸⁴² and specific strategic and area management plans.⁸⁴³ The 2019 Plan continues Loudoun’s attention to thoughtful planning to ensure growth that is growth is smart and sustainable.⁸⁴⁴

Detailed descriptions and explanations of Loudoun’s public planning and zoning efforts are provided in Section 8(II)(B) *supra*. Thus, this section will not repeat the information except to provide context for the ways in which Loudoun’s efforts comply with applicable state policies with respect to public planning policies promulgated by the General Assembly.

Loudoun’s Comprehensive Plan includes all elements required by the General Assembly in Chapter 22. Planning, Subdivision of Land and Zoning, of Virginia Code Title 15.2. Significant areas include:

- a transportation plan⁸⁴⁵ that provides for transit-oriented development as required by Virginia Code § 15.2-2223.4,⁸⁴⁶
- future looking policies for the county across all different areas of its identified land use policy areas - Urban, Suburban, Transition, and Rural - as well as several smaller planning areas,⁸⁴⁷
- policies designed to provide availability of housing across the income spectrum -

⁸⁴¹ Loudoun County, 2019 General Plan [hereinafter “General Plan”] (adopted June 20, 2019), available at <https://www.loudoun.gov/DocumentCenter/View/152285/General-Plan---Combined-with-small-maps-bookmarked> (as amended through Feb. 7, 2023).

⁸⁴² Loudoun County, 2019 Countywide Transportation Plan [hereinafter “2019 CTP”] (adopted June 20, 2019), available at <https://www.loudoun.gov/DocumentCenter/View/152287/CTP---Combined-with-small-maps-bookmarked> (as amended through Feb. 7, 2023). *See infra* for a discussion of the County’s transportation-related policies and services, including the public planning policies of the 2019 CTP.

⁸⁴³ *See* Loudoun County Area/Strategic Plans, <https://www.loudoun.gov/1060/Area-Strategic-Plans>.

⁸⁴⁴ General Plan.

⁸⁴⁵ 2019 CTP. *See infra* for a discussion of the County’s transportation-related policies and services, including the public planning policies of the 2019 CTP.

⁸⁴⁶ *Id.*

⁸⁴⁷ General Plan at 1-3 to 1-6.

including the construction, rehabilitation and maintenance of affordable housing.⁸⁴⁸

In particular, the Comprehensive Plan recognizes the importance of planning for urban development areas⁸⁴⁹ in its creation of the Urban Policy Areas (UPA), 2,600 acres proximate to the new Silver Line Metrorail Stations. This area of the Comprehensive Plan calls for complete urban communities that accommodate housing, employment, retail, education, and entertainment in close proximity to Metrorail.⁸⁵⁰

Particularly important to Loudoun with its proximity to the greater Washington metropolitan area is coordination of state and local transportation efforts.⁸⁵¹ As required, Loudoun submitted to and received approval of its Transportation plan from the Department of Transportation. Additionally, Loudoun coordinates its transportation planning with the Commonwealth and other localities in the norther Virginia area through participation in regional transportation efforts such as Northern Virginia Transportation Commission and the Northern Virginia Transportation Authority. A specific example of this collaboration can be seen in the extension of the Silver Line Metrorail which required state and local participation.⁸⁵²

Loudoun's comprehensive planning policies are implemented through the County's development ordinances,⁸⁵³ including its subdivision and zoning ordinances, as well as other ordinances to enact development-related policies.⁸⁵⁴ As described in more detail in Section 8(II)(B) *supra*, the *Land Subdivision and Development Ordinance of Loudoun County, Virginia*

⁸⁴⁸ Loudoun General Plan at 1-9, Ch. 4.

⁸⁴⁹ Va. Code § 15.2-2223.1.

⁸⁵⁰ Loudoun General Plan at 1-4; *see also* Loudoun General Plan at 2-26, 2-27; Section 8(II)(B), (K) *supra*.

⁸⁵¹ *See* Va. Code § 15.2-2223.1.

⁸⁵² Virginia Department of Rail and Public Transportation, *Fiscal Year 2021 Report 7* (2021), <https://www.drpt.virginia.gov/media/1kalefqr/drpt-fy2021-annual-report.pdf>.

⁸⁵³ Section 8(II)(B) *supra*.

⁸⁵⁴ *See* Codified Ordinances, Chs. 1040, 1042, 1060, 1066, 1070, 1096, 1220, 1225, 1226, 1450.

(“LSDO”)⁸⁵⁵ is read in conjunction with the Zoning Ordinance and establishes subdivision and site plan standards and procedures for nearly all unincorporated areas of Loudoun County.⁸⁵⁶

Education

Virginia has a long tradition of excellence in public education. The Virginia Department of Education (“VDOE”) enforces and implements educational standards for public schools, including Loudoun County, as required by Virginia Code Title 22.1, Education. Loudoun County more than fully complies with these standards.

Loudoun County Public Schools (“LCPS”) provides free, public K-12 education for all residents who live within the County’s borders including those who reside in the Town of Leesburg.⁸⁵⁷ LCPS School Board has nine (9) members, with one Board Member representing the Leesburg District. LCPS’s 800 school buses travel approximately 8.1 million miles a year providing home to school bus services, transportation services are provided for field and athletic trips, special needs students, alternative education programs, and other services required by LCPS students.⁸⁵⁸

LCPS is the third largest of the 132 school divisions in Virginia with ninety-eight (98) schools (including two Educational Centers).⁸⁵⁹ As the dollars show, education continues to be one of the County’s highest priorities: the budget for schools represents 50% of general fund expenditures.⁸⁶⁰ LCPS exceeds the statewide teacher to student ratio of 14:1⁸⁶¹ with a ratio of

⁸⁵⁵ Land Subdivision and Development Ordinance, Loudoun County [hereinafter LSDO],

<https://www.loudoun.gov/DocumentCenter/View/18047/Land-Subdivision-and-Development-Ordinance?bidId=>

⁸⁵⁶ LSDO, Sec. 1241.03, 1241.04.

⁸⁵⁷ The Town of Leesburg does not operate an independent school division.

⁸⁵⁸ See Loudoun County Public Schools Support Services, <https://www.lcps.org/transportation>.

⁸⁵⁹ Dashboards, Loudoun County Public Schools, <https://dashboards.lcps.org/extensions/Dashboards/Dashboards.html>.

⁸⁶⁰ Loudoun Popular Annual Financial Report at 13.

⁸⁶¹ Public Schools Student: Teacher Ratio Statistics in Virginia, Public School Review, <https://www.publicschoolreview.com/student-teacher-ratio-stats/virginia>.

13:1.⁸⁶² For the 2021-22 School Year, LCPS students met or exceeded the overall state pass rate for 26 of the 31 SOL tests administered.⁸⁶³

Loudoun County Public Schools - By the Numbers

Schools

- 61 elementary schools⁸⁶⁴
- 17 middle schools⁸⁶⁵
- 18 high schools⁸⁶⁶
- 2 educational centers⁸⁶⁷

Students

- Population: 129,000 youth under 19 live within Loudoun's geographic boundaries⁸⁶⁸
- Enrollment: more than 82,000 school age youth⁸⁶⁹
- Average Attendance Rate: 93.6%⁸⁷⁰

Employment

- Total Employees: 12,804⁸⁷¹
- Largest employer in Loudoun County⁸⁷²
- 2022 Best-in-State Employer - Forbes magazine⁸⁷³

Budget

- Expenditures for 2022: \$1,039,733,320⁸⁷⁴

⁸⁶² Loudoun County Public School District, Public School Review, <https://www.publicschoolreview.com/virginia/loudoun-county-public-schools-school-district/5102250-school-district>; Loudoun County Public Schools, U.S. News & World Report, <https://www.usnews.com/education/k12/virginia/districts/loudoun-co-pblc-schs-105672>.

⁸⁶³ LCPS Students Demonstrate High Achievement on the 2022 SOL Tests, Loudoun County Public Schools (Aug. 18, 2022),

⁸⁶⁴ See LCPS 2022-2023 Fact Sheet, Loudoun County Public Schools, <https://www.lcps.org/page/8>.

⁸⁶⁵ Id.

⁸⁶⁶ Id.

⁸⁶⁷ Id.

⁸⁶⁸ Loudoun County Advisory Commission on Youth, State of the Youth of Loudoun County (Mar. 2020), <https://tiny1.io/8tFh>.

⁸⁶⁹ Id. at 5.

⁸⁷⁰ Dashboards, Loudoun County Public Schools, <https://dashboards.lcps.org/extensions/Dashboards/Dashboards.html>.

⁸⁷¹ Dashboards, Loudoun County Public Schools, <https://dashboards.lcps.org/extensions/Dashboards/Dashboards.html>.

⁸⁷² Major Employers, Loudoun Virginia Economic Development, <https://biz.loudoun.gov/information-center/major-employers>.

⁸⁷³ See LCPS 2022-2023 Fact Sheet, <https://www.lcps.org/page/8>.

⁸⁷⁴ Loudoun Popular Annual Financial Report at 13.

- Projected Fiscal Year 2023 Expenditures: Loudoun added \$53.7 million to the school operating fund compared to Fiscal Year 2022 appropriations.⁸⁷⁵
- Planned Capital Expenditures FY 2023 to FY 2052: \$5.943 billion⁸⁷⁶
 - \$1.81 billion (30.42%) for construction of new schools⁸⁷⁷
 - \$336 million (5.66%) for other school related projects and land acquisition⁸⁷⁸
 - \$2.43 billion (40.93%) for renewals and alterations of existing school facilities⁸⁷⁹
 - \$1.37 billion (22.99%) for Capital Asset Preservation⁸⁸⁰

Educational Excellence

- Graduation Rate: 97.6%⁸⁸¹
- Advanced Placement Exams (2021): 18,750 Advanced Placement exams taken⁸⁸²
 - 18,750 Advanced Placement exams taken⁸⁸³
 - 68.3% of exams earned a score of 3 or above⁸⁸⁴
- Combined Average SAT Scores (2021): 1178⁸⁸⁵

Post-graduate Opportunities

- Class of 2022 Scholarships: \$78,486,755 million⁸⁸⁶
- Class 2020 Post-Graduation Plans:
 - more than 87% planned to attend a college or university⁸⁸⁷
 - 4,277 (68.6%) planned to attend a four-year college⁸⁸⁸
 - 1,190 planned to attend a two-year school⁸⁸⁹
 - 198 planned to embark on other continuing education options⁸⁹⁰

⁸⁷⁵ Id.

⁸⁷⁶ Loudoun County Public Schools, School Board Adopted FY 2023 - FY 2028 Capital Improvement Program Capital Asset Preservation Program FY 2029 - FY 2052 Capital Projects Forecast January 11, 2022 14 (Jan. 11, 2022), https://www.lcps.org/cms/lib/VA01000195/Centricity/Domain/27213/School_Board_Adopted_FY2023_CIP-CAPP_01112022web-r.pdf.

⁸⁷⁷ Id.

⁸⁷⁸ Id.

⁸⁷⁹ Id.

⁸⁸⁰ Id.

⁸⁸¹ Dashboards, Loudoun County Public Schools, <https://dashboards.lcps.org/extensions/Dashboards/Dashboards.html>.

⁸⁸² See Dashboards, Loudoun County Public Schools, <https://dashboards.lcps.org/extensions/Dashboards/SchoolProfiles.html> (as compared to just 62.7% of exams taken in the Commonwealth of Virginia and 58.8% in the United States as a whole).

⁸⁸³ Id.

⁸⁸⁴ Id.

⁸⁸⁵ Id. (compared to the Virginia average of 1119 and United States average of 1028).

⁸⁸⁶ See LCPS 2022-2023 Fact Sheet, Loudoun County Public Schools, <https://www.lcps.org/page/8>.

⁸⁸⁷ See Survey: More than 87 percent of Loudoun County Public Schools' Class of 2020 heading to college, Loudoun Times-Mirror (July 7, 2020), https://www.loudountimes.com/news/survey-more-than-87-percent-of-loudoun-county-public-schools-class-of-2020-heading-to/article_55144a5c-c07a-11ea-89a2-533020ea51f1.html

⁸⁸⁸ Id.

⁸⁸⁹ Id.

⁸⁹⁰ Id.

- 95 planned to join the military⁸⁹¹
- 305 planned to enter the workforce⁸⁹²

Awards and Honors

- Recognized by VDOE as a School Division of Innovation⁸⁹³
- Loudoun Educational Foundation (LEF) awarded
 - a \$2.4 million grant for the creation of the Virginia K-12 Computer Science Pipeline program in LCPS by Growth and Opportunity in Virginia⁸⁹⁴
 - \$400,000 grant from Jack Kent Cooke Foundation to launch the BEAM Summer Math Discovery Program, which equips middle school students from marginalized communities to take and excel in rigorous coursework⁸⁹⁵
- All LCPS eligible middle schools received the Schools to Watch designation from the National Forum to Accelerate Middle School Reform⁸⁹⁶
- 2022 ENERGY STAR Partner of the Year – Sustained Excellence Award from the U.S. Environmental Protection Agency and the U.S. Department of Energy⁸⁹⁷
- Named among the Best Communities for Music Education by the National Association of Music Merchants (NAMM) Foundation⁸⁹⁸

⁸⁹¹ Id.

⁸⁹² Id.

⁸⁹³ See LCPS 2022-2023 Fact Sheet, Loudoun County Public Schools, <https://www.lcps.org/page/8>.

⁸⁹⁴ Id.

⁸⁹⁵ Id.

⁸⁹⁶ Id. (only Virginia school division to receive the distinction for all eligible schools).

⁸⁹⁷ Id. (11th year in a row LCPS received this honor).

⁸⁹⁸ Id. (15th consecutive year; one of only 19 Virginia school divisions to receive honor in 2022).

Public Transportation

The United States Code defines public transportation as “regular, continuing shared-ride surface transportation services that are open to the general public or open to a segment of the general public defined by age, disability or low income.”⁸⁹⁹ Several state agencies and regional bodies oversee various aspects of Northern Virginia’s transportation systems: the Department of Rail and Public Transportation, the Virginia Department of Transportation, the Virginia Rail Passenger Authority, the Commonwealth Transportation Board, the Northern Virginia Transportation Authority, and the Northern Virginia Transportation Commission. Loudoun County is a member of, receives funding from or has many of the activities of its transportation plan regulated by these entities.

Collectively, the goals of these entities are to:

1. Minimize traffic congestion through traffic calming measures, implementation of transportation demand management (“TDM”)⁹⁰⁰ which includes ridesharing arrangements such as carpools, vanpools, and bus pools,⁹⁰¹ and reducing per-capita vehicle miles traveled;⁹⁰²
2. Increased access to public transportation;⁹⁰³
3. Increase the number of trips traveled by active transportation (bicycling and walking);⁹⁰⁴
4. Decrease environmental pollution by reducing transportation related NOX, VOC, PM, and

⁸⁹⁹ 49 U.S.C. § 5302.

⁹⁰⁰ Virginia Department of Rail and Public Transportation, Annual Report FY 2022: Overview of Virginia’s Transit and Rail Activities 19 (Nov. 2022), <https://www.drpt.virginia.gov/media/5gkgdjty/annual-report-fiscal-year-2022.pdf>.

⁹⁰¹ Id.

⁹⁰² Office of Intermodal Planning and Investment – Statewide Transportation Planning Section, VTRANS – Virginia’s Transportation Plan (Dec. 2021) [hereinafter VTRANS], <https://rga.lis.virginia.gov/Published/2022/RD56/PDF>,

⁹⁰³ Id.

⁹⁰⁴ Id.

CO emissions⁹⁰⁵ through the use of public transportation.⁹⁰⁶

Loudoun’s Transportation Plan

Loudoun’s transportation plan meaningfully tracks the State’s transportation priorities. As part of its 2019 Comprehensive Plan, Loudoun developed a Countywide Transportation Plan (“CTP”), updated most recently on February 7, 2023.⁹⁰⁷ In drafting the plan, the Board of Supervisors intentionally highlighted the need to integrate its transportation efforts into the life of the community, considering

planned land use and development through the horizon year of 2040 and includes a revised and enhanced arterial and collector road network, including facilities for motor vehicles, bicyclists, pedestrians, and transitriders. The CTP also includes policies and strategies to address the connections between land uses, the built environment, the transportation network, air travel, development impacts, environmental and heritage resources, coordination with outside agencies, prioritization and funding of transportation infrastructure, and plan implementation.⁹⁰⁸

To develop the plan, Loudoun considered “criteria such as multimodal safety, forecasted facility demands (volume and capacity), potential impacts on the environment, heritage resources, quality of life, and concurrent land use plans and policies.”⁹⁰⁹ Loudoun focuses on the three key modes of transporting people from one location to another:

- Travel on the roadways is addressed through its “Motor Vehicle Plan [that] provides a network of roadway travel lanes to accommodate the movement of passenger cars, light trucks and motorcycles, freight and delivery vehicles, transit service vehicles, and emergency vehicles.”⁹¹⁰

⁹⁰⁵ Id.

⁹⁰⁶ Northern Virginia Transportation Commission, Advanced Project Profiles: Round Four (FY 2021-FY2022) Commuter Choice program on the I-66 corridor 3, 6 (Nov. 2021) [hereinafter NVTC Advanced Project Profiles], https://novatransit.org/uploads/Projects/i66commuterchoice/66R4_AllProfiles.pdf

⁹⁰⁷ 2019 CTP at 2-1.

⁹⁰⁸ Id.

⁹⁰⁹ Id.

⁹¹⁰ Id.

- Public transportation is the focus of “the Transit Infrastructure Plan (TIP) [which] provides a plan for infrastructure, including transit stations and shelters, transit-priority corridors, and park-and-ride lots to facilitate growth and development of transit systems.”⁹¹¹
- Pedestrian and bicycle travel are the focus of “the Bicycle and Pedestrian Plan (BPP) [which] provides a network of on-street and off-street facilities to accommodate cyclists and an off-street network of sidewalks and shared use paths to accommodate pedestrians.”⁹¹²

Recognizing that its transportation infrastructure is reliant on roadways, the three priorities above hub the County’s CTP.⁹¹³ The CTP highlights a number of ways that Loudoun plans to expand transportation options and accessibility while simultaneously limiting the increase of pollution and transportation delays.

1. Minimize traffic congestion

The first state priority identified above is evident in each section of Loudoun’s plan. Loudoun strongly supports ride-sharing and other TDM measures. Loudoun County has a direct service TDM – the Loudoun County Commuter Service operated by Loudoun County Department of Transportation.⁹¹⁴ As a recipient of state funding for its TDM Program, Loudoun is required to and has adopted a Transit Strategic Plan⁹¹⁵ and a Commuter Assistance Program Plan.⁹¹⁶ Loudoun is currently updating these strategic plans.⁹¹⁷ The County held a town hall on December 1, 2022

⁹¹¹ Id.

⁹¹² Id.

⁹¹³ Id.

⁹¹⁴ Virginia Department of Rail and Public Transportation, Annual Report FY 2022: Overview of Virginia’s Transit and Rail Activities 19–20 (Nov. 2022), <https://www.drpt.virginia.gov/media/5gkgdjty/annual-report-fiscal-year-2022.pdf>.

⁹¹⁵ Loudoun County, Loudoun County Transit Development Plan (Jan. 10, 2018), [https://www.loudoun.gov/DocumentCenter/View/122385/TDP-2018-2028-?bidId=.](https://www.loudoun.gov/DocumentCenter/View/122385/TDP-2018-2028-?bidId=)

⁹¹⁶ Loudoun County Commuter Services, Long-Range Transportation Demand Management Plan (Apr. 5, 2016), <https://www.loudoun.gov/DocumentCenter/View/86272/Loudoun-Transportation-Demand-Management-Plan?bidId=> (draft).

⁹¹⁷ Transit & Commuter Services Strategic Plans, Loudoun County, <https://www.loudoun.gov/3444/Transit-Commuter-Services-Strategic-Plan>.

to collect community feedback and is now soliciting public input through an internet-based survey.⁹¹⁸ Additionally, VDOT Park and Ride lots are available in the County for use for both work and personal related travel. “Park and Ride lots allow commuters, particularly long-distance commuters, to park their vehicles or bikes at a convenient location and then finish their commute using alternative transportation modes – carpool, vanpool, bus, train, bike, or walking.”⁹¹⁹

Loudoun is also a regional partner in the Northern Virginia Transportation Commission which funds the alternative to solo vehicle travel:

Commuter Choice on the I-66 corridor is a partnership between the Commonwealth of Virginia and NVTC. Led by NVTC, the program funds transit and multimodal projects in Northern Virginia through a competitive process using a portion of the toll revenues from I-66 Inside the Beltway. Funding for FY 2021 included a renewal of the Purcellville Metro Connection Bus Service connecting Town to Wiehle-Reston East Metrorail Station (nine weekday, peak-period round trips).⁹²⁰

2. Loudoun’s Commitment to Increasing Access to Public Transportation⁹²¹

In November 2022, Loudoun proudly celebrated the opening of the newest Metrorail Silver Line extension, which now makes three Metrorail stations in Loudoun County: Ashburn, Loudoun Gateway, and Washington Dulles International Airport.⁹²² This new infrastructure “provides Loudoun residents with a new transportation option for accessing employment, entertainment, and the region’s two airports, as well as other destinations served by Metro.”⁹²³ This new passenger service enables residents, workers and visitors to Loudoun to travel to and from the greater Washington DC metropolitan region, decreasing the burden of vehicles on roadways and in most

⁹¹⁸ Id.

⁹¹⁹ Park and Ride in Virginia, Virginia Department of Transportation, <https://www.virginiadot.org/travel/parkride/home.asp>.

⁹²⁰ NVTC Advanced Project Profiles at 3, 6.

⁹²¹ VTRANS.

⁹²² See Four Things to Know about the Opening of the Silver Line Metrorail Extension in Loudoun County, Loudoun County, <https://www.loudoun.gov/CivicAlerts.aspx?AID=8018&ARC=15214>.

⁹²³ Id.

cases decreases the time commuters spend commuting.⁹²⁴ To ease travel to the metro stations, “[t]he Metro parking garages in Loudoun feature electric vehicle charging stations, bike racks, daily parking and reserved parking.” In conjunction with the expanded Metrorail access, “Loudoun County Transit [began] to phase in new bus service that connects riders with Metrorail.”⁹²⁵

Loudoun’s commitment to public transportation services enhances the lives of those who reside, work, or play in Loudoun. The County’s Capital Improvement Plan allocates 51% of the budget for non-school capital improvements to transportation needs.⁹²⁶ Loudoun County's services related to public transportation are discussed in more detail in Section 8(II)(K) *supra*.

3. Promote active transportation⁹²⁷

The Loudoun General Plan specifies in its policies that, “[w]hen appropriate for the Place Type, [developers should] design spaces to maximize pedestrian, bicyclist, and other multimodal activity, comfort, and convenience” which includes the development in guidelines and zoning regulations to provide “bike lanes, shared spaces and paths of travel.”⁹²⁸ To encourage “active” transportation – travel by bicycle or foot – Loudoun focuses on maintaining existing and creating new safe pathways for bicycle and pedestrian traffic.⁹²⁹

Significant emphasis is placed on constructing opportunities for active transportation to community hubs such as “school, shopping, libraries, parks, and community centers. To accomplish this, effective planning for the cyclist and pedestrian is integrated within each stage of planning, design, and implementation.”⁹³⁰ Expanding Loudoun’s active transportation network

⁹²⁴ *Id.*

⁹²⁵ *Id.*; see also *Silver Line Bus Routes*, Loudoun County, <https://www.loudoun.gov/silverlinebusroutes>.

⁹²⁶ Loudoun Popular Annual Financial Report at 14.

⁹²⁷ VTRANS.

⁹²⁸ Loudoun General Plan at 2-13.

⁹²⁹ VTRANS.

⁹³⁰ 2019 CTP at 2-7.

“will lead to enhanced quality of life by providing: mobility, connections, and increased options for bicycle travel; improved access to public transportation, employment, and other activity centers; a cleaner environment through reduction of air pollution caused by single-occupancy vehicle trips; expansion of the rural economy by providing the opportunity for visitors to experience the County’s beauty through biking; and preservation of cultural and natural resource corridors for public enjoyment through the designation of shared use paths, bicycle routes, and improved signage.”⁹³¹

4. Additional Loudoun efforts Support a variety of community types

The Urban Policy Areas transportation network focuses on the concept of choices. If a transportation network is designed appropriately, no resident, worker, or visitor to the area is limited to a single transportation mode in order to travel, allowing for choice depending on distance, weather conditions, trip purpose, or personal preference. For others, such as those who are too young to drive, those who do not feel comfortable driving, those who cannot afford a personal vehicle, or those who are unable to drive, multimodal systems provide safe and dependable travel options to ensure convenient access to goods, services, employment opportunities and entertainment.⁹³²

Regional Cooperation and Role in Regional Transportation.

Loudoun is heavily involved in promoting regional transportation opportunities that extend the benefits of transportation beyond county borders. When the Metro rail Silver Line was completed, Loudoun County joined the Washington Metropolitan Area Transportation Authority (“WMATA”), an interstate compact whose members include the District of Columbia and Maryland as well as the Virginia jurisdictions of Arlington and Fairfax Counties and the Cities of

⁹³¹ Id.

⁹³² Id. at 3-2.

Alexandria, Fairfax, and Falls Church.⁹³³ MWATA is managed the funding and construction of the Metrorail Silver Line extension, and DRPT, WMATA, Fairfax County, and Loudoun County provided technical assistance during the construction of the 23.1-mile extension.⁹³⁴

Air travel is an integral component of Loudoun County's overall transportation system. Washington Dulles International Airport is one of three major airports in the larger Baltimore-Washington region and is one of the most utilized airports in the United States. It offers connections to international destinations and provides a critical economic engine for business and cargo movement with the County and the larger region.⁹³⁵

Loudoun County is part of the Northern Virginia Transportation District, and participates as a member of the Northern Virginia Transportation Commission ("NVTC").⁹³⁶ Loudoun County is also part of the Northern Virginia Transportation Authority ("NVTA"), "a regional body that is focused on delivering transportation solutions and value for Northern Virginia's transportation dollars by bringing NoVA jurisdictions and agencies together to plan and program regional multimodal transportation projects focused on relieving congestion."⁹³⁷ NVTA is chaired by Phyllis Randall, the Chair of the Loudoun County Board of Supervisors.⁹³⁸

Conscious that its transportation management plans impact all residents within the borders of Loudoun County, Loudoun "promote[s] high quality of life by protecting the integrity and opportunities provided within the County's Urban, Suburban, Transition, and Rural Policy Areas,

⁹³³ Virginia Department of Rail and Public Transportation, *Fiscal Year 2021 Report* 7 (2020), <https://www.drpt.virginia.gov/media/1kalefqr/drpt-fy2021-annual-report.pdf>.

⁹³⁴ *Id.* at 53.

⁹³⁵ 2019 CTP at 4-1.

⁹³⁶ See Va. Code § 33.2-1900 *et seq.*; see also Northern Virginia Transportation Commission, *By-Laws* (Oct. 2018), <https://novatransit.org/uploads/aboutNVTC/NVTC%20By-Laws%20Revised%2010-04-18.pdf>.

⁹³⁷ See Northern Virginia Transportation Authority, <https://thenovaauthority.org/>; see also Va. Code § 33.2-2500 *et seq.*

⁹³⁸ *Members*, Northern Virginia Transportation Authority, <https://thenovaauthority.org/about/members/>.

and supporting each of the incorporated Towns within Loudoun County during planning, design, and construction of the transportation network.”⁹³⁹

Housing

The Department of Housing and Community Development (“DHCD”) is the lead state agency for housing efforts⁹⁴⁰ and offers multiple programs designed to assist communities and residents in creating and maintaining safe and affordable housing throughout Virginia.⁹⁴¹ “DHCD programs strive to maintain the vibrancy of communities throughout the Commonwealth and include providing universal broadband access, investing in economic development initiatives, promulgating the statewide building and fire regulations, preserving the affordability and efficiency of Virginia’s homes and buildings, addressing homelessness, reducing eviction rates across the state and fostering innovative solutions to create affordable housing.”⁹⁴²

DHCD’s efforts are concentrated in the following areas:

1. Expanding the affordability of “multifamily housing” and providing funds for “community development.”⁹⁴³
2. Assisting homeowners directly and through community government and organizations to renovate and rehabilitate their dwellings,⁹⁴⁴ including “[m]ak[ing] energy efficiency upgrades to new and existing residential

⁹³⁹ 2019 CTP at 1-3.

⁹⁴⁰ Joint Legislative Audit and Review Commission, Affordable Housing in Virginia (Dec. 13, 2021), <http://jlarc.virginia.gov/pdfs/reports/Rpt559-1.pdf>.

⁹⁴¹ See Housing Assistance, Department of Housing and Community Development, <https://www.dhcd.virginia.gov/housing>.

⁹⁴² About, Department of Housing and Community Development, <https://www.dhcd.virginia.gov/about-0>.

⁹⁴³ Multifamily Housing Development, Department of Housing and Community Development, <https://www.dhcd.virginia.gov/multifamily-housing-development>.

⁹⁴⁴ Housing Rehabilitation, Department of Housing and Community Development, <https://www.dhcd.virginia.gov/housing-rehabilitation>.

buildings to reduce energy bills for low-income Virginians.”⁹⁴⁵

3. Programs “to reduce the overall length of homelessness in the community, the number of households becoming homeless and the overall rate of formerly homeless households returning to homelessness.”⁹⁴⁶

To accomplish these objectives DHCD partners with state, federal, local and nonprofit housing and community and economic development initiatives and “invests over \$350 million annually in addition to \$2 billion in federal recovery programs as a partner to Virginia communities to create safe, affordable and prosperous communities to live, work and do business in Virginia.”⁹⁴⁷

Loudoun County is taking proactive steps to ensure the availability of secure, affordable housing within its borders. The Board of Supervisors commissioned a housing needs report and adopted the County’s “Unmet Housing Needs Strategic Plan” in 2021 to ascertain the underlying causes of housing insecurity and lack of affordable housing in order to develop solutions to these significant problems impacting County residents.⁹⁴⁸ The 2021 report prepared by County staff at the request of the Board of Supervisors noted that “many [Loudoun] households ... spend[] more than 30% of monthly income on housing costs, especially” low-income households and the disabled and elderly.⁹⁴⁹ Many in “Loudoun’s workforce [are] unable to afford to live in Loudoun, which forces employees to travel on state and local roads and further strains pollution control efforts.”⁹⁵⁰ Contributing to these longer commutes which increase the presence of vehicles on the

⁹⁴⁵ Housing Innovations in Energy Efficiency, Department of Housing and Community Development, <https://www.dhcd.virginia.gov/hiee>.

⁹⁴⁶ Virginia Homeless Solutions Program, Department of Housing and Community Development, <https://www.dhcd.virginia.gov/vhsp>.

⁹⁴⁷ About, Department of Housing and Community Development, <https://www.dhcd.virginia.gov/about-0>.

⁹⁴⁸ Loudoun County, Virginia Unmet Housing Needs Strategic Plan 1 (Sept. 8, 2021) [hereinafter Unmet Housing Needs Strategic Plan], <https://www.loudoun.gov/DocumentCenter/View/167024/Unmet-Housing-Needs-Strategic-Plan-Approved-9821-with-Appendices>.

⁹⁴⁹ Id.

⁹⁵⁰ Id.

roadway is the fact that the supply of affordable housing is not located “proximate to transit.”⁹⁵¹ Finally, rising housing demand and current market conditions are outpacing the ability of residents to maintain their current housing.⁹⁵² The Unmet Housing Needs Report provides Loudoun with a roadmap that is in line with the stated goals and funding objectives of DHCD and allows Loudoun to target its efforts where they can yield the most results.⁹⁵³

1. Expand availability of affordable multifamily housing

The Loudoun General Plan lays out a vision for future location efficient development that supports new housing being location efficient. The Loudoun General Plan “anticipates the majority of residential growth to occur in the Urban Policy Areas (UPAs), with limited higher density growth in the limited greenfield and redevelopment areas of the Suburban Policy Area (SPA) and targeted areas of the Transition Policy Area (TPA).”⁹⁵⁴ Approximately 120 [Affordable Dwelling Unit] homeownership units are in the UPA. New “policies can support greater housing affordability in the UPA. Explicitly supporting affordable housing in transit-rich areas will help provide location efficient housing to low-income families.”⁹⁵⁵ Through the third quarter of FY2023, the County has achieved 94.7% (142/150) of its goal for newly accessible units. With respect to its goal for new attainable units, the County has achieved 42.6% (149/350). There are currently 440 new attainable units under construction that are estimated to become available in FY 2024.⁹⁵⁶

⁹⁵¹ Id.

⁹⁵² Id.

⁹⁵³ See About, Department of Housing and Community Development, <https://www.dhcd.virginia.gov/about-0>.

⁹⁵⁴ Unmet Housing Needs Strategic Plan at 9.

⁹⁵⁵ Id. at 10.

⁹⁵⁶ Transportation and Land Use Committee of the Loudoun County Board of Supervisors, Unmet Housing Needs Strategic Plan: 3rd Quarter FY 2023 Update 5 (May 17, 2023) [hereinafter Unmet Housing Needs Strategic Plan: 3rd Quarter FY 2023 Update] (accessed through <https://www.loudoun.gov/3432/Transportation-and-Land-Use-Committee> and selecting the appropriate year and date folders) (Item 2).

The report commissioned by Loudoun which resulted in the Unmet Housing Needs Strategic Plan also resulted in several programs to create increased access to affordable multifamily housing. The Affordable Multi-Family Housing Loan Program, open to non-profit and for-profit developers, “encourages private investment by providing gap financing to address unmet housing needs.”⁹⁵⁷ Additionally, Loudoun operates a Project Based Voucher program targeted to owners of rental properties “to contract with the county to provide affordable rental housing.”⁹⁵⁸ The program encompasses both newly constructed or rehabilitated rental housing, though priority “is given to owners of affordable rental housing who provide fully accessible housing for people with disabilities, in accordance with federal regulations for accessibility and housing quality standards.”⁹⁵⁹ Finally, Loudoun recently approved the sale of a parking lot to a developer who intends to build 450 apartments with more than 100 income-restricted apartments, demonstrating that public land can be used to provide affordable housing.⁹⁶⁰

In addition to its work to directly increase the number of affordable housing units located in the County, the LC-DHCD provides rental and homeownership assistance programs directly to individuals and families and partners to increase the ability of resident to access affordable housing.⁹⁶¹ Recently, Loudoun opened the application process for funds made available through the Virginia Housing Sponsoring Partnerships and Revitalizing Communities Program. The program provides lower interest rates on homeownership loans in Loudoun County. First-time homebuyers who have lived and/or worked in Loudoun for the past six months and have an annual

⁹⁵⁷ Loudoun Popular Annual Financial Report at 16.

⁹⁵⁸ Id.

⁹⁵⁹ Project-Based Vouchers, Loudoun County, <https://www.loudoun.gov/projectbasedvouchers>.

⁹⁶⁰ Unmet Housing Needs Strategic Plan: 3rd Quarter FY 2023 Update at 4.

⁹⁶¹ Housing & Community Development, Loudoun County, <https://www.loudoun.gov/1773/Housing-Community-Development>.

household income of no more than \$162,000 for a household of two or fewer people or \$189,000 for a household of three or more people may qualify to receive lower interest rate loans.”⁹⁶²

The County operates an Affordable Dwelling Unit (“ADU”) program, which finds its foundation in the Loudoun County Zoning Ordinance and the County’s Codified Ordinances.⁹⁶³ This ADU program is administered by an Affordable Dwelling Unit Advisory Board appointed by the Board of Supervisors.⁹⁶⁴ Loudoun’s ADU program provides priority to income-eligible citizens who live and work in the county as the first priority for residence in newly constructed, affordable rental and for-sale dwellings.⁹⁶⁵ The rental units available as part of this program are located throughout the County.⁹⁶⁶

Another program, the Affordable Market Purchase Program (“AMPP”) “enables eligible first-time homeowners with moderate income the opportunity to purchase a newly constructed townhouse or condominium.”⁹⁶⁷ Individuals desiring to participate in the AMPP “must have a total household income more than 70% and less than 100% of the Area Median Income based on the Primary Washington Metropolitan Statistical Area.”⁹⁶⁸

Loudoun County also partners with nonprofits and towns on a variety of community development projects related to housing needs.⁹⁶⁹

⁹⁶² Nancy McCormick, Loudoun Announces Financing Opportunity for First-Time Homebuyers, Loudoun County (Apr. 20, 2023), <https://www.loudoun.gov/Blog.aspx?CID=24>.

⁹⁶³ See Codified Ordinances, Ch. 1450; Loudoun County Zoning Ordinance, Art. 7.

⁹⁶⁴ See Codified Ordinances, Chs. 1450.03, 1450.10; see also Affordable Dwelling Unit Advisory Board, Loudoun County, <https://onboard.loudoun.gov/board/3527>.

⁹⁶⁵ Affordable Dwelling Unit Program, Loudoun County, <https://www.loudoun.gov/1813/Affordable-Dwelling-Unit-Program>.

⁹⁶⁶ Id.

⁹⁶⁷ Affordable Markey Purchase Program, Loudoun County, <https://www.loudoun.gov/2933/Affordable-Market-Purchase-Program-AMPP>.

⁹⁶⁸ Id.

⁹⁶⁹ Housing Community Development, Loudoun County, <https://www.loudoun.gov/1773/Housing-Community-Development>; see also Unmet Housing Needs Strategic Plan: 3rd Quarter FY 2023 Update at 6.

2. Renovate and rehabilitate dwellings for low-income Virginians.

Loudoun offers grant programs to certain homeowners and renters whose dwellings are in need of increased accessibility. Loudoun’s Emergency Home Repair and Accessibility Grant Program provides grants to homeowners for repairs and modifications specifically related to accessibility and/or addressing critical home repair needs.⁹⁷⁰ The program is “available to homeowners who are at least 62 years old and/or have a household member with a disability. Household income must be at or below 50% of the Area Median Income.”⁹⁷¹ Loudoun County also offers residents access to the Granting Freedom Program, which provides grants for home and rental unit modifications to certain qualifying Virginia veterans and service members with disabilities, and the Rental Unit Accessibility Modification Program, which⁹⁷² [OBJ]

3. Providing resources for residents suffering from Homelessness

The County uses a Coordinated Entry System to assist residents experiencing homelessness.

The Coordinated Entry is a process that ensures that all people experiencing a housing crisis in a defined geographic area have fair and equal access, and are quickly identified, assessed for, referred, and connected to housing and homeless assistance based on their needs and strengths. It uses standardized tools and practices, incorporates a system-wide ‘Housing First’ approach, participant choice, and coordinates housing and homeless assistance such that housing and homeless assistance is prioritized for those with the most severe service needs.⁹⁷³

The Loudoun County Continuum of Care (“CoC”) is a county-wide planning body that coordinates housing and services funding as well as the efforts of government and private entities providing services for residents experiencing homelessness.⁹⁷⁴ As part of this coordination, the

⁹⁷⁰ Home Improvement Programs, Loudoun County, <https://www.loudoun.gov/1789/Home-Improvement-Programs>.

⁹⁷¹ Id.

⁹⁷² Id.

⁹⁷³ Loudoun County Coordinated Entry System, Loudoun County, <https://www.loudoun.gov/4040/Coordinated-Entry-System>.

⁹⁷⁴ Funding Opportunities for Continuum of Care Members, Loudoun County, <https://www.loudoun.gov/4111/Funding-Opportunities---Continuum-of-Car>.

CoC submits a consolidated application that includes funding requests from both public and private organization for grant funding from HUD.⁹⁷⁵

This funding is to support the development and implementation of a coordinated community approach to preventing and ending homelessness, to provide funding for efforts to quickly rehouse homeless individuals, families, persons fleeing domestic violence, dating violence, sexual assault, and stalking, and youth while minimizing the trauma and dislocation caused by homelessness; to promote access to and effective utilization of mainstream programs by homeless individuals and families, and to optimize self-sufficiency among those experiencing homelessness.⁹⁷⁶

The CoC also encourages local non-profits to apply for funding to be used specifically to address unsheltered and rural homelessness.⁹⁷⁷ “This funding will address unsheltered homelessness and homeless encampments, including funds set aside specifically to address homelessness in rural communities. This funding will enhance communities’ capacity to address unsheltered homelessness humanely and effectively by connecting vulnerable individuals and families to housing, healthcare, and supportive services.”⁹⁷⁸

Loudoun also participates in a number of local and regional organizations active in and concerned with the needs of the unhoused.⁹⁷⁹

4. Public Education and Outreach

The LC-DHCD provides public education about the state of affordable housing in Loudoun and invites residents to provide comment. The County and several other localities in Northern Virginia are “working collaboratively to develop a regional fair housing plan.”⁹⁸⁰ As part of this collaboration there is a public comment and hearing process to engage the community in

⁹⁷⁵ Id.

⁹⁷⁶ Id.

⁹⁷⁷ Id.

⁹⁷⁸ Id.

⁹⁷⁹ Unmet Housing Needs Strategic Plan: 3rd Quarter FY 2023 Update at 6.

⁹⁸⁰ Loudoun County, Public Invited to Provide Comment on the Fair Housing Plan for Loudoun County (Feb. 3, 2023), <https://www.loudoun.gov/CivicAlerts.aspx?AID=8176&ARC=15275>.

developing the plan.⁹⁸¹ During the hearing the County provided “an overview of the Loudoun County sections of the fair housing plan including goals, past achievements, and data on affordable housing and barriers to fair housing in the county.”⁹⁸² The County’s efforts were on display at a few recent events:

- On April 11, 2023, the County offered a training addressing issues faced by residents with disabilities: Fair Housing for People with Disabilities.⁹⁸³ Developers, builders, real estate agents, leasing agents, landlords, mortgage companies, homeowners’ associations, housing providers, nonprofit organizations and government employees were invited to attend and receive education and information about accessibility in construction, the Virginia Fair Housing Law, group homes, protected classes, restrictive covenants and retaliation, and unlawful discriminatory housing practices.⁹⁸⁴ Loudoun recognizes that finding affordable housing can be particularly difficult to obtain for senior citizens and those with disabilities.
- On March 29, 2023 the Loudoun County Department of Housing and Community Development hosted a free Housing Choice Voucher (“HCV”) Landlord Workshop in collaboration with the U.S. Department of Housing and Urban Development.⁹⁸⁵ The program included presentations intended to help landlords: “[u]nderstand the basics of the HCV Program,” “[l]earn about the benefits of renting to voucher holders, including regular rent payments and inspections by the local government,” “[r]eview recent and upcoming changes in the Loudoun HCV Program, including payment standards, utility allowance,

⁹⁸¹ Id.

⁹⁸² Id.

⁹⁸³ Nancy McCormick, Fair Housing for People with Disabilities Training Offered April 11 in Loudoun, Loudoun County (Mar. 14, 2023), <https://www.loudoun.gov/Blog.aspx?IID=1123#item>.

⁹⁸⁴ Id.

⁹⁸⁵ Loudoun Offers Housing Choice Voucher Landlord Workshop March 29, Loudoun County, <https://www.loudoun.gov/CivicAlerts.aspx?AID=8229&ARC=15019>.

and inspections,” and “[m]eet HCV staff and listen to the experience of a landlord working with the program.”⁹⁸⁶

- On April 1, 2023, Loudoun hosted the Northern Virginia Housing Expo encouraging anyone looking for an affordable place to live in Northern Virginia to visit the expo, “which will showcase both homeownership and rental opportunities and resources throughout the region.”⁹⁸⁷ The event was a partnership between neighboring localities and federal, state and private partners.⁹⁸⁸ Financial coaching sessions were offered to program attendees and workshops focused on credit scores, fair housing, household budgeting and a home sale market overview.⁹⁸⁹ The Loudoun County Department of Housing and Community Development participated in panels to share information on programs for renters and homebuyers.⁹⁹⁰ Other workshops focused on credit scores, fair housing, household budgeting and a home sale market overview.⁹⁹¹

⁹⁸⁶ Id.

⁹⁸⁷ Nancy McCormick, Loudoun Hosts Northern Virginia Housing Expo April 1, Loudoun County (Mar. 14, 2023), <https://www.loudoun.gov/Blog.aspx?IID=1120#item>.

⁹⁸⁸ Id.

⁹⁸⁹ Id.

⁹⁹⁰ Id.

⁹⁹¹ Id.

Section 10 Community of Interest

1 Va. Admin. Code § 50-20-540(12).

As discussed in significant detail in Section 11, *infra*, Loudoun is home to “Data Center Alley,” described as “the world’s largest concentration of data centers, with more than 25 million square feet currently in operation and millions more being planned or developed.”⁹⁹² Not surprisingly, given this concentration, “[m]uch of the world’s internet traffic passes through Loudoun’s digital infrastructure.”⁹⁹³ Loudoun County government’s depth of experience in working with this unique industry has resulted in a local government well versed in the parlance and needs of the data center industry, including providing affordable and reliable power, an experienced, high-tech workforce, and significant experience with taxation, valuation, and government relations as pertaining to data centers.⁹⁹⁴ This governmental expertise in data centers joins Loudoun County with the APA as a community of interest.

The Town attempts to paint the APA as almost completely surrounded by the Town, characterizing the APA as a “peninsula.”⁹⁹⁵ A peninsula is generally understood as “a piece of land that is almost entirely surrounded by water but is connected to the mainland on one side.”⁹⁹⁶ In this case, however, the APA is not a peninsula surrounded on all sides by the Town and connected to Loudoun by only a thread. Rather, the APA merely abuts a portion of the southern border of the Town and is surrounded by the County, including the locus of many of the County’s governmental

⁹⁹² Data Centers, Loudoun County Department of Economic Development [hereinafter Data Center Fact Sheet], <https://biz.loudoun.gov/key-business-sectors/data-centers/>.

⁹⁹³ Id.

⁹⁹⁴ Id.

⁹⁹⁵ Notice at 162.

⁹⁹⁶ Peninsula, National Geographic, <https://education.nationalgeographic.org/resource/peninsula/>; Peninsula, Merriam-Webster, <https://www.merriam-webster.com/dictionary/peninsula> (“a portion of land nearly surrounded by water and connected with a larger body by an isthmus”).

services.⁹⁹⁷ The APA is not geographically distinct from the County, it is wholly part of the County and the County's long-term planning and simply shares a border with the Town, as do many parcels and areas in the County. Such proximity to the Town is insufficient to establish a community of interest, or justification for annexation.

The burden of proof of a community of interest with the APA is on the Town. There is no residential area in the APA whose citizens would receive even limited incremental services from the Town. There is only non-residential commercial and industrial property in the APA, dedicated to uses that do not require any additional services provided by the Town. Furthermore, the Town has no experience with data centers. It does not have the in-depth knowledge acquired by Loudoun County officials borne out of more than a decade of experience with the industry.⁹⁹⁸ Not only has the Town failed to meet its burden, but Loudoun's expertise in dealing with data centers make it the most fitting locality to manage the APA.

⁹⁹⁷ See *supra* Section 3, Map 6 & Map 14

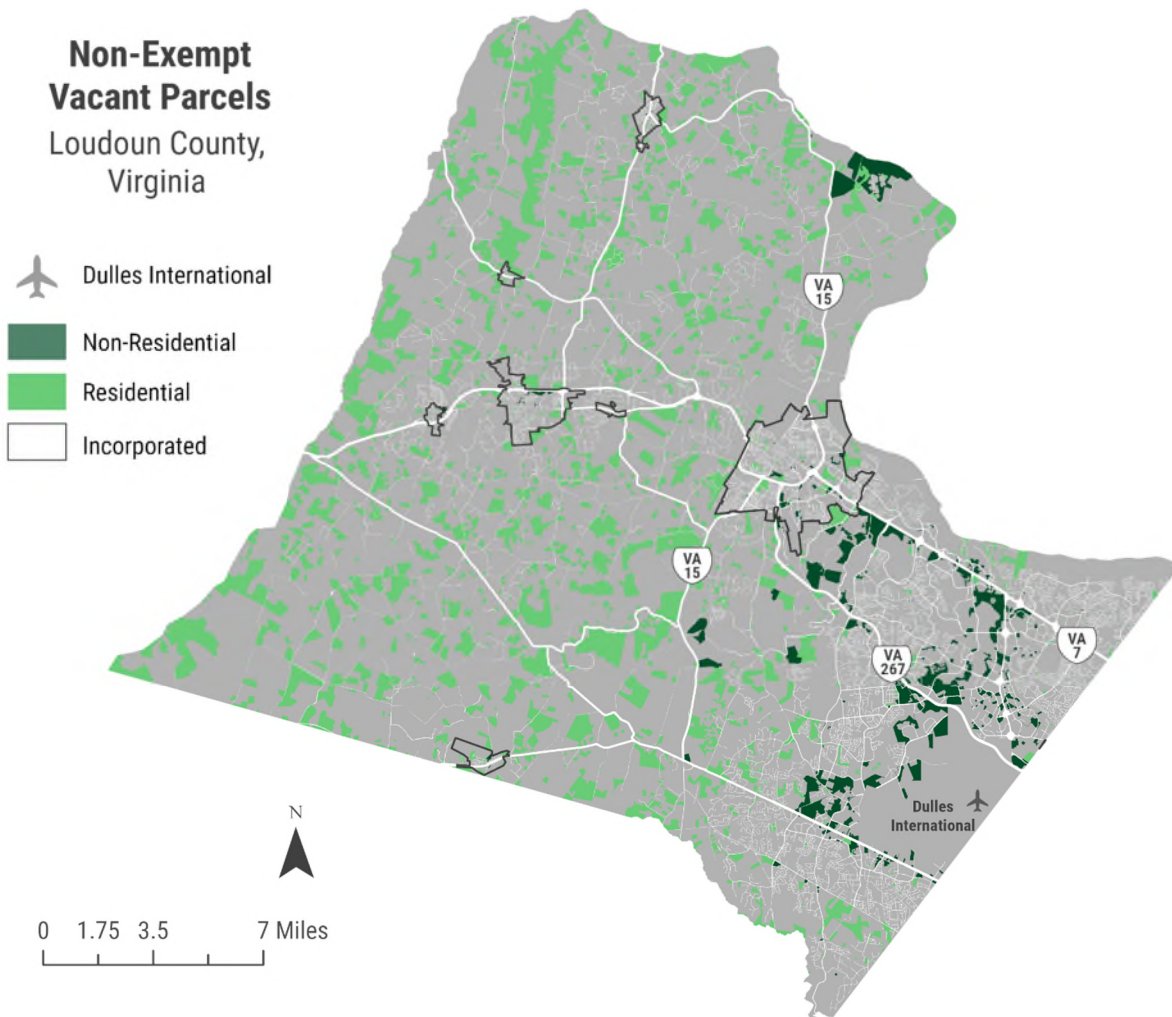
⁹⁹⁸ Data Center Fact Sheet (“There has not been a single day without data center construction in Loudoun in more than 13 years.”).

Section 11
Adverse Effect on the County & Commonwealth

1 Va. Admin. Code § 50-20-540(16), (17)

Loudoun’s available and suitable land for industrial development is located primarily in the easternmost portion of the County, particularly in proximity to Washington Dulles International Airport and between Virginia State Routes 7 and 267.⁹⁹⁹ There is a distinct lack of land suitable for non-residential development in the County, especially in the Leesburg area.

Figure 30. Taxable Vacant Parcels in the County¹⁰⁰⁰



⁹⁹⁹ See RKG Report at 6–7 & M.2.

¹⁰⁰⁰ RKG Report at M.2.

Further, the Commission should consider the amount of available and suitable non-residential acreage in the context of its relative rate of absorption. Best estimates indicate project the County's industrial land will be absorbed in approximately ten years.¹⁰⁰¹

Although the proposed annexation would not have an immediate adverse impact on the County's public facilities or ability to provide services, the Commission should give due consideration to the chilling effect that supporting the proposed annexation might have on the broader data center industry, as well as future innovative and technology-centered industries that might locate in Loudoun County, or the Commonwealth generally. The benefits of data center development extend across the County and the Commonwealth, and the resultant negative impacts of discouraging such development would also have Commonwealth-wide consequences. The Town Council has been advised of the effect that incorporation into the Town could have on discouraging this industrial development that currently benefits the Town, County, and Commonwealth when located in unincorporated Loudoun.¹⁰⁰² Even the potential of attracting a data center development precludes property owners from consenting to being incorporated into the Town, such development being "much more expensive because of the Town taxes, real estate and mostly personal property taxes...."¹⁰⁰³

In 2020, the Northern Virginia Technology Council estimated that Loudoun County would have had to increase its property taxes by twenty-one percent without local revenue provided by data centers.¹⁰⁰⁴ Instead, because of the County's concentrated efforts in partnership with the

¹⁰⁰¹ See *supra* Sec. 7.

¹⁰⁰² Leesburg Town Council, Work Session Minutes 4 (December 9, 2019), <https://tiny1.io/8sr4>.

¹⁰⁰³ Id. describing comments of Town attorney).

¹⁰⁰⁴ Northern Virginia Technology Council, The Impact of Data Centers on the State and Local Economies of Virginia 2, 23 (January 2020), <https://tiny1.io/8sr8>.

Commonwealth of Virginia, real property tax rates have been reduced for all residents of the County, including those living in Leesburg.¹⁰⁰⁵

I. The Importance of Data Centers to the County and the Commonwealth

A. Introduction

Through a combination of geography, resource availability, historical development, and sound public policy, Loudoun has become the world leader in data centers. Loudoun's dominant position in the data center industry has brought staggering amounts of capital investment and high-paying jobs to the region and provided the Commonwealth with massive amounts of tax revenue to fund social services and education throughout the state. Due to its long-established dominance in the data center industry, Loudoun has developed an extensive body of knowledge on managing and regulating data centers in a manner that stewards this industry for the good of the region and the Commonwealth.

However, Loudoun's position is not guaranteed, and localities nationwide seek to lure future development and investment away from Virginia. Industry invests in Loudoun because it trusts Loudoun's experience and leadership. Leesburg has no experience servicing data centers, and its planning documents demonstrate naivete about the level of effort and expertise needed to manage and maintain such a project. Leesburg's proposed annexation introduces unnecessary uncertainty and volatility into Northern Virginia's business ecosystem—which, in turn, could lead future investors to assess competing jurisdictions more favorably.

¹⁰⁰⁵ See PFM Report at 2.

B. Loudoun’s Key Role the Data Center Industry

“It all started when America Online moved to Ashburn back in the 1990s.”¹⁰⁰⁶ When AOL moved to Ashburn, it made substantial investments in the information technology infrastructure in the region.¹⁰⁰⁷ When the Metropolitan Area Exchange – East (“MAE-East”) moved to Loudoun in the late 1990s, Ashburn became the crossroads of the internet.¹⁰⁰⁸ Currently, over seventy percent of the world’s internet traffic passes through Loudoun’s data centers daily.

It is hard to overstate this activity’s economic impact on the Commonwealth. In 2018, data centers created approximately \$6,866,325,000 of economic activity in Northern Virginia.¹⁰⁰⁹ This economic activity generated \$460,534,000 in state and local taxes.¹⁰¹⁰ Although these numbers are impressive on their own, Loudoun’s efficiency in developing and collecting these taxes is even more so. Thanks to its industry dominance and years of experience, Loudoun collects approximately \$15 in taxes for every \$1 it spends providing services to the data center industry.¹⁰¹¹ Loudoun’s efficiency makes it less reliant on the Commonwealth for its services, allowing the Commonwealth to focus its education dollars on less financially fortunate localities across the Commonwealth.¹⁰¹²

The establishment of this industry in the County was not an accident. Although Loudoun was fortunate to have AOL and MAE-East located in the County, Loudoun’s current financial success is the product of its leadership capitalizing on the opportunities presented to—and created

¹⁰⁰⁶ Dora Mekoura, [Here’s Where the Internet Actually Lives](https://www.voanews.com/a/usa_all-about-america_heres-where-internet-actually-lives/6184090.html), All About America, https://www.voanews.com/a/usa_all-about-america_heres-where-internet-actually-lives/6184090.html; Dwight Weingarten, [How your cloud data ended up in one Virginia county](https://www.csmonitor.com/Business/2021/0622/How-your-cloud-data-ended-up-in-one-Virginia-county), The Christian Science Monitor, <https://www.csmonitor.com/Business/2021/0622/How-your-cloud-data-ended-up-in-one-Virginia-county>.

¹⁰⁰⁷ [Id.](#)

¹⁰⁰⁸ [Id.](#)

¹⁰⁰⁹ A. Fletcher Magnum, Ph.D. et al., [The Impact of Data Centers on the State and Local Economies of Virginia](https://biz.loudoun.gov/wp-content/uploads/2021/03/Data_Center_Report_2020-1.pdf) 14 (2020), https://biz.loudoun.gov/wp-content/uploads/2021/03/Data_Center_Report_2020-1.pdf.

¹⁰¹⁰ [Id.](#)

¹⁰¹¹ [Id.](#)

¹⁰¹² [Id.](#)

by—the County. It is not a coincidence that Loudoun's Executive Director for the Department of Economic Development is a perennial name on Washingtonian Magazine's list of Tech Titans in the D.C. Metropolitan Area.¹⁰¹³ Loudoun's experience managing the growth and development of the data center industry is most apparent in the careful attention paid to cultivating and managing the sector in its planning: it addresses data centers specifically throughout its updated land use planning;¹⁰¹⁴ it specifically addresses data centers in its sustainability plans;¹⁰¹⁵ it also made it a priority to produce guidance for future data centers to streamline the permitting process and allow investors to build data centers without the need for a special use permit.¹⁰¹⁶

Loudoun's current plans for the territory within Leesburg's proposed annexation identify the land needed for light industrial and industrial purposes and no room for residential uses.¹⁰¹⁷ Loudoun's economic development and public planning efforts have already resulted in investment in this area of the County, putting previously underutilized land in a high-noise corridor to work for the benefit of the entire County, including the Town.

C. Other Jurisdictions Will Reduce the Commonwealth's Tax Base If The Commonwealth Allows Uncertainty to Creep Into This Key Industry

Although Loudoun and the Commonwealth have substantial competitive advantages over other jurisdictions, they are not a monopoly. Virginia has lost data center business to North Carolina, and other jurisdictions would be glad to relieve the Commonwealth of its tax

¹⁰¹³ Buddy Rizer, Loudoun County Department of Economic Development, <https://biz.loudoun.gov/staff-directory/buddy-rizer/>.

¹⁰¹⁴ Loudoun County Board of Supervisors, Loudoun County 2019 General Plan 2-38, 2-61, 2-64, 2-88, 2-90, 2-142, 2-144 (2019) [hereinafter Loudoun General Plan], <https://tiny1.io/8sr9>.

¹⁰¹⁵ Id. at 3-32.

¹⁰¹⁶ Id. at 7-3.

¹⁰¹⁷ Id. at 2-142–2-143.

revenue.¹⁰¹⁸ Major data center developments are underway in the following locations across the country:

1. Fayetteville, Georgia;¹⁰¹⁹
2. Reno, Nevada;¹⁰²⁰
3. Altoona, Iowa;¹⁰²¹
4. Las Vegas, Nevada;¹⁰²²
5. Council Bluffs, Iowa;¹⁰²³
6. Frederick County, Maryland;¹⁰²⁴
7. Austin, Texas;¹⁰²⁵
8. Phoenix, AZ;¹⁰²⁶
9. Columbus, Ohio;¹⁰²⁷ and
10. Lancaster, Ohio.¹⁰²⁸

Loudoun's data center dominance is too important to the Commonwealth's fiscal health to subject substantial economic development projects to unnecessary increased taxation and utility costs, land use uncertainty, and municipal leadership inexperienced with data center development. The best interests of the Commonwealth and the citizens of the County and Town are better served by Leesburg's proper focus on the Town's core competencies—its scenic downtown, improving

¹⁰¹⁸ Northern Virginia Technology Council, The Economic and Fiscal Contribution that Data Centers Make to Virginia 28 (3d ed. 2020), <https://tiny1.io/8srC>.

¹⁰¹⁹ Rich Miller, The New MegaCampuses: The World's Largest Data Center Projects, Data Center Frontier (November 1, 2022), <https://www.datacenterfrontier.com/featured/article/11436953/the-new-megacampuses-the-worlds-largest-data-center-projects>.

¹⁰²⁰ Id.

¹⁰²¹ Id.

¹⁰²² Id.

¹⁰²³ Id.

¹⁰²⁴ Rich Miller, Skybox, Prologis Plan Massive 600-Megawatt Data Center Campus in Austin, Data Center Frontier (May 5, 2023), <https://www.datacenterfrontier.com/hyperscale/article/33004603/skybox-prologis-plan-massive-600megawatt-data-center-campus-in-austin>

¹⁰²⁵ Rich Miller, The New MegaCampuses: The World's Largest Data Center Projects, Data Center Frontier (November 1, 2022), <https://www.datacenterfrontier.com/featured/article/11436953/the-new-megacampuses-the-worlds-largest-data-center-projects>.

¹⁰²⁶ Rich Miller, Prime Will Enter Phoenix Market With 210 Megawatt Campus, Data Center Frontier (May 4, 2023), <https://www.datacenterfrontier.com/hyperscale/article/33004536/prime-will-enter-phoenix-market-with-210-megawatt-campus>

¹⁰²⁷ Rich Miller, Google Building Two More Data Center Campuses in Ohio Cloud Cluster, Data Center Frontier (May 3, 2023), <https://www.datacenterfrontier.com/cloud/article/33004480/google-building-two-more-data-center-campuses-in-ohio-cloud-cluster>

¹⁰²⁸ Rich Miller, Google Building Two More Data Center Campuses in Ohio Cloud Cluster, Data Center Frontier (May 3, 2023), <https://www.datacenterfrontier.com/cloud/article/33004480/google-building-two-more-data-center-campuses-in-ohio-cloud-cluster>

walkability, and greater density and mix of commercial and residential uses—instead of annexing a large-scale industrial development project for which the Town's policy and fiscal interests are misaligned with those of the County and the Commonwealth.

The Commission should not limit its consideration of the proposed annexation's impacts on the County. The potential ramifications of disturbing the equilibrium of the data center industry, which the County has worked so hard to establish in Virginia, could be felt across the Commonwealth.

Section 12 Conclusion

The Town’s proposed annexation is really all about one thing: **money**. Although the Town accurately identifies that the requested annexation, being carefully timed and selected, will have a “significant, positive impact” on the Town’s finances and annual revenue, the Notice fails to identify any actual data-driven need for additional revenue.¹⁰²⁹ The data proves instead that the Town does not need the revenue sought by the annexation, it being related to exorbitance, or perhaps prospective ambitions of seeking city status in contravention of current and longstanding policies promulgated by the General Assembly. The Town also fails to fully consider other key stakeholders affected by the proposed annexation, most importantly the property owners and industries within the APA. Under the Town’s estimation, the property owners in the APA will collectively be subject to immediate additional taxation in an amount of over \$2.3 million.¹⁰³⁰ This Town revenue, representing the additional tax burden on the landowners, dramatically and rapidly increases until the anticipated build-out of the APA in 2026, at which point the Town’s supplemental revenue is estimated to be over \$9.9 million per year, thereafter increasing steadily to over \$11.3 million in 2032.¹⁰³¹

These are not just numbers on a page; they represent additional taxation on each parcel and business within the APA in excess of both the needs of Town generally and any revenue that would be necessary to offset speculative incremental services provided by the Town. The table below identifies the approximate additional tax burden to be placed on the County’s corporate citizens as estimated by the Town.

¹⁰²⁹ Notice at 116-17. *See* Notice at 115-45.

¹⁰³⁰ Notice at 138-39, t.24.

¹⁰³¹ Notice at 127, 138-39, t.24.

Table 40. Expected Additional Taxation¹⁰³²

| Parcel | Development | Additional Annual Tax Burden |
|--------|----------------------------------|------------------------------|
| 1 | Walmart | \$215,108 |
| 2 | At Home | \$24,313 ¹⁰³³ |
| 3 | Commercial Outparcel | \$94,702 |
| 4 | Environmental: Vernal Pool | N/A |
| 5 | Microsoft Data Center Campus | \$8,028,937 ¹⁰³⁴ |
| 6 | Leesburg Commercial Data Centers | \$1,542,397 ¹⁰³⁵ |

The burden proposed by the annexation is borne by all of the properties and businesses within the APA, but most substantially by two parcels: Parcel 5 owned by the Microsoft Corporation, which is under development as a data center campus;¹⁰³⁶ and Parcel 6 owned by Leesburg Commercial, which is approved for data center development.¹⁰³⁷ These are important industries for the Commonwealth and the County, which should not be jeopardized by unnecessary supplemental taxation.

Further, the Town has no need to obtain land for industrial or commercial development. The Town has adequate areas available for future development and redevelopment within its existing boundaries. The areas proposed for annexation are already under development and would

¹⁰³² Notice at 128-38. The figures are based on 2022 tax year assessed values and may change by Fiscal Year 2026, which are the relevant revenues identified by the Town for a built scenario of Parcels 5 and 6.

¹⁰³³ Notice at 130. The Notice appears to have mistakenly copied over some language from the Walmart analysis and this number reflects a summation of other values calculated by the Town.

¹⁰³⁴ These represent the FY2026 figures presented by the Town. *See* Notice at 134-38.

¹⁰³⁵ These represent the FY2026 figures presented by the Town. *See* Notice at 134-38.

¹⁰³⁶ Notice at 135-36, 138 t.19, 20, & 22; *see supra* Sec. 8(II)(B).

¹⁰³⁷ Notice at 135, 137-38, t. 21 & 23; *see supra* Sec. (II)(B).

provide the Town with essentially no “vacant” land, which forms the basis of the Town’s claimed need. There is no data or evidence to suggest that annexation of the APA into the Town’s boundaries will spur any new commercial or industrial land development, either within the APA itself or the Town generally.

Other important factors also weigh in favor of the APA remaining subject to the County’s jurisdiction. There is a community of interest between the County and the APA, in particular due to the proximity of the APA to the County’s facilities and governmental operations, and the extensive economic community that exists between the County and data centers. The County’s overwhelming efforts to comply with the Commonwealth’s policy goals should also give the Commission confidence that Loudoun is best positioned to ensure that the APA is governed in a manner consistent with the Commonwealth’s environmental protection, public planning, education, public transportation, housing, and other service policies.

In addition to the Town lacking a need for supplemental tax resources, an expanded tax base, or additional industrial and commercial land, there is no material benefit to the properties and businesses in the APA by their proposed annexation into the Town. There are no urban services needed within the APA that the County or its governmental partners are not already providing or capable of providing in the near future. The only incremental benefit of incorporation for the parcels in the APA is receiving the reduced utility rates Leesburg provides to in-town customers; however, for each of the developments within the APA, the reduced utility fees are negligible compared to the increases in taxation resulting from the proposed annexation,¹⁰³⁸ and for the industrial portions of Parcels 5 and 6 that have not connected to Town utilities, those “reductions” still represent a dramatic increase over the utility service rates available to those properties through

¹⁰³⁸ See Notice 139-44.

Loudoun Water.¹⁰³⁹ The Town's proposed annexation results in unnecessary additional taxation, capacity constraints on the Town's utility system, and increased utility costs on industrial users, all without any corresponding public benefit.

The Commission's investigation and considerations must focus on the necessity and expediency of the Town's proposed annexation. The Town has the burden to demonstrate to the Commission that the proposed annexation satisfies both of these statutory requirements within the framework of the appropriate regulatory factors. Simply put, the Notice fails to provide the Commission with narrative justification or data sufficient to support the proposed annexation. There being no demonstrated need of the Town, or benefit to the APA, the County, or the Commonwealth, the Commission must recommend that the Town's proposed annexation be denied.

¹⁰³⁹ See *supra* Sec. 8(II)(A).

Section 13
Annotated List of Documents, Exhibits, and Other Material

- Appendix A – An assessment of the Town’s need for expanded tax resources, including a credit assessment and analysis.
 - Title: Assessment of the Town of Leesburg Need for Expanded Tax Resources
 - Date: April 28, 2023
 - Prepared by: PFM Financial Advisors LLC and PFM Group Consulting, LLC. Principal contributors to the evaluation and report are
 - Michael Nadol, Managing Director and President of PFM Group Consulting LLC,
 - JoAnne Carter, Managing Director and President of PFM Financial Advisors, LLC
 - Vileen Leung, Senior Managing Consultant at PFM Group Consulting LLC.
- Appendix B – An assessment of the Town’s need for additional industrial and commercial land. These materials are divided into two sections: B1 is a Technical Memorandum analyzing historic construction trends, existing development conditions, and market performance indicators among non-residential land uses in evaluation of the needs of the Town, and B2 is the annexation analysis.
 - B1
 - Title: Technical Memorandum
 - Date: June 12, 2023
 - Prepared by: RKG Associates, Inc. Principal contributors to the evaluation and report are:
 - Kyle Talente, President
 - Matthew Carden, Market Analyst
 - B2
 - Title: Loudoun County, Virginia, Annexation Analysis: *Development Trends, Non-Residential Market Analysis, Comparables Analysis*
 - Date: May 16, 2023
 - Prepared by: RKG Associates, Inc. Principal contributors to the assessment and analysis are:
 - Kyle Talente, President
 - Matthew Carden, Market Analyst
- Appendix C – An update report provided by Loudoun Water related to water and sewer projects in the Leesburg Joint Land Management Areas, including portions of the property subject to the annexation proposed in the Town’s Notice.
 - Title: JLMA Water & Sewer Project Coordination, Loudoun County & Loudoun Water Update
 - Date: October 31, 2022, with project schedules updated as of April 18, 2023
 - Prepared by: Loudoun Water, the principal contributor being Andrew Beatty, Project Engineer.

- Appendix D – An independent and impartial analysis of the Loudoun County Sheriff’s Office and public safety services in the County to evaluate and make recommendations on the potential separation of primary law enforcement functions from the sheriff’s office and creation of a County police department.
 - Title: Analysis of Potential Conversion from Sheriff’s Office to County Police Department
 - Date: March 2022
 - Prepared by: International Association of Chiefs of Police

- All other sources cited within footnotes.

Section 14
Appendixes



Assessment of the Town of Leesburg Need for Expanded Tax Resources

Prepared for Loudoun County in Relation to the Town of Leesburg
Notice of Intention to Petition for Annexation of Territory

April 28, 2023

PFM Advisors LLC

4350 North Fairfax Drive, Suite 590
Arlington, VA 22203

www.pfm.com

PFM Group Consulting, LLC

1735 Market Street, 42nd Floor
Philadelphia, PA 19103

Table of Contents

| | |
|--|----|
| Background and Summary | 1 |
| Evaluation of the Need for Expanded Tax Resources Generally..... | 4 |
| Overview..... | 4 |
| Economic and Tax Base | 4 |
| Revenues | 6 |
| Expenditures | 13 |
| Fund Balance | 16 |
| Debt and Long-Term Obligations | 19 |
| Commonwealth of Virginia Fiscal Condition Indicators..... | 21 |
| Credit Assessment..... | 21 |
| Economic and Financial Projections | 22 |
| Utilities Fund Analysis..... | 24 |
| Financial Impact for the Town of the Proposed Annexation..... | 26 |
| Public Safety Impact | 27 |
| Infrastructure Maintenance Impact..... | 29 |
| General Government Impact..... | 29 |
| Utilities Fund Impact..... | 30 |
| Summary..... | 31 |
| Appendices..... | 32 |
| Appendix A: About PFM..... | 32 |
| Appendix B: Leesburg and Loudoun County Real Property Tax Rates..... | 33 |
| Appendix C: Loudoun County Ten-Year Forecast | 33 |
| Appendix D: Town of Leesburg Credit Assessment and Analysis | 34 |

Proposed Leesburg Annexation Assessment of the Need for Expanded Tax Resources

Background and Summary

The Town of Leesburg (“Town”) filed a Notice of its Intention to Petition for Annexation of Territory (“Notice”) in the County of Loudoun (“County”) with the Commission on Local Government on September 28, 2022. The proposed Annexation Area consists of just under 403 acres of industrial and commercial land, with no residents.

PFM has been asked by the County to evaluate factor 6 pursuant to the Code of Virginia (15.2-3209) criteria for consideration when determining the necessity for and expediency of annexation:

“The need for the city or town seeking to annex to expand its tax resources, including its real estate and personal property tax base.”

We have evaluated the above factor from two perspectives:

- a) Is there a need for the Town to expand its tax resources generally? and,
- b) Is there a need for the Town to expand its tax resources because of the cost of new service demands created by activity in the Annexation Area, whether annexed or not?

With regard to the Town’s desire for expanded tax resources generally, our evaluation finds no evidence of need:

- The Town of Leesburg is an economically strong community, with median household income levels well above the statewide average, a comparatively low rate of poverty, and relatively high home values. According to the most recent U.S. Census¹ data, the Town’s median household income and median home value were more than twice the average across all Virginia towns and at least 40 percent higher than the statewide figure.
- The Town’s favorable economic condition results in a strong local tax base. In 2021, Leesburg’s real property assessed value per capita was 33.1 percent higher than the statewide average for Virginia.
- While the Town’s population grew at an annual average rate of 1.2 percent from 2010 to 2020, key service indicators such as police calls for service, recreation program attendance, and garbage and recyclable materials collection have seen demand decline. Over approximately the same period from FY2010 to FY2022, however, the Town’s revenues grew at an average annual rate of 3.7 percent.
- Also across this same period, the Town’s unrestricted General Fund Balance (including assigned and unassigned) increased from 22.9 percent of General Fund Expenditures as of June 30, 2010 to 70.0 percent as of June 30, 2022, well above the Government Finance Officers Association (GFOA) recommended minimum level of 16.7 percent (or two months) of General Fund revenues, and has also been well above the statewide median and other credit agency metrics for measuring reserve and liquidity strength. Even the Town’s unassigned Fund Balance, which does not account for certain designated reserves, reached 37.1 percent of expenditures as of June 30, 2022, almost twice the Town’s own 20 percent policy goal for this reserves metric.

¹ U.S. Census Bureau, 2017-21 American Community Survey.

- In 2022, the Town reduced its real property tax rate from \$0.1840 to \$0.1774 per \$100 in taxable assessed value, Leesburg's third property tax cut within the last ten years. At \$0.1774 per \$100 in taxable assessed value, Leesburg's rate is now below Herndon, Vienna, and Purcellville, the three local governments selected by the Town as benchmarks in its Notice.² As an indicator of the Town's available tax capacity, if Leesburg were to adopt the average real property tax rate used by these other three Northern Virginia towns, it could generate an additional \$4.9 million in annual revenues from its 2022 base.
- The Virginia Auditor of Public Accounts (APA) regularly evaluates local governments using a framework of twelve fiscal condition indicators to evaluate the potential for fiscal distress. As of the most recent 2021 report, the APA determined that a total of 45 points across these measures would indicate the need for further qualitative review, noting that this threshold "*continues to remain a conservative and appropriate evaluation of total ratio points for our analysis.*" Under this framework's points system, Leesburg totaled only 15 points – not only well below the level that would indicate the potential for fiscal distress, but also more favorable than the Virginia statewide average of 20.4 points among all towns with population of at least 3,500.
- All three of the major, independent credit rating agencies assign their highest credit rating of triple-A to Leesburg's general obligation bonds – an indication of very strong fiscal condition. For example, as of December 31, 2021, out of 9,284 general governments rated by Moody's Investors nationally, only 602 (6.5 percent) held this highest possible Aaa rating.³

Looking forward, the Town's FY2024 Proposed Budget forecasts 12.4 percent growth in tax revenues over the FY2023 Adopted Budget and continued 4.0 percent annual growth thereafter through FY2028, all with no adjustment to tax rates since the Town's 2022 tax rate reduction. This projected growth in tax revenues is consistent with expected, continued economic growth as reflected in projections of 23.2 percent cumulative population growth for the Leesburg area over the period from 2020 through 2030. Overall, the Town's Proposed FY2024 Budget projects balance between sources and uses for the next fiscal year, and additional growth in Fund Balance growth for each year from FY2025 through FY2028.

Next, looking at the potential need for the Town to add tax resources due to activity specific to the proposed Annexation Area, our review indicates that no such need is present – and that annexation would actually reduce the revenues available for the largest demand on the Town from the Annexation Area, for water and sewer services. As further detailed in the more complete report that follows:

- Because the Annexation Area has no residents, the volume of police calls for service is minimal, while Loudoun County – not Leesburg – has and would continue to have primary responsibility for funding fire and rescue services.
- With no residents, many other Town services, such as libraries, parks/recreation, and solid waste collection and disposal would not be applicable to the Annexation Area.
- Most of the lane miles in the Annexation Area are maintained by the Commonwealth, and the remaining portion is maintained privately.⁴
- Overall, the impact on the Town's General Fund service demands and expenditures would be minimal if the area were annexed. According to the Town's Notice, even with full annexation, new direct costs could be as low as an estimated \$50,000 for the assumption of maintenance and

² These are also the three towns with population above 3,500 in Loudoun and Fairfax Counties. The Virginia Auditor of Public Accounts (APA) uses the population threshold of 3,500 for its Comparative Reports and Fiscal Distress Monitoring Report.

³ US municipal bond defaults and recoveries, 1970-2021, Moody's Investors Service, April 2022.

⁴ Notice of Petition page 68.

repair responsibilities for streets, signals, streetlights, landscaping, sidewalks, and snow removal. Maximum costs cited in the Notice if annexation were approved -- inclusive of a potential, but not certain, police hire and a general governmental indirect cost allocation for which the Notice provides no details -- are estimated by the Town at \$250,000 (pages 144-145), which further notes that these “*are generous estimates; the actual future costs will likely be smaller.*”

- In contrast, due largely to new data centers in the Annexation Area, the Town estimates potential new gross tax revenues due to annexation “*in excess of \$9.9 million*” annually after full buildout from development in 2026 (Notice, page 138). This amount would be approximately 40 times greater than the Town’s “generous” estimates for increased expenditures post-annexation, and approximately 200 times greater than the amount projected by the Town for increased, direct maintenance and repair costs.
- For water and sewer service, the one Town service category that could experience significantly increased demand given planned development within the Annexation Area (notably water-intensive data centers), annexation would actually *reduce* revenues for the Town’s Water and Sewer Fund, because “in-town” customers pay lower water and sewer rates. According to the Town’s estimates in the Notice (page 139), water and sewer revenues for the Town at current rates would be approximately \$290,000 lower per year after annexation and build out.

Evaluation of the Need for Expanded Tax Resources Generally

Overview

Looking at the Town's desire for expanded tax resources more generally, our evaluation finds no evidence of need:

- Leesburg's local economy and existing tax base is strong, stable, and growing.
- Local revenue growth has outpaced population and expenditure growth trends.
- The Leesburg area economy and population is projected to continue to grow from 2020 to 2030.
- The Town's tax rates are comparatively low (and were recently lowered in 2022). If new revenues were required, adoption of a property tax rate at the average level currently levied by Herndon, Vienna, and Purcellville – cities identified by the Town as benchmarks in its Notice – could generate an additional \$4.9 million.
- The Town's reserve levels have increased in recent years and are now well above local government medians and the Town's own policy goals.
- This strong financial condition is reflected in the Town's Aaa/AAA/AAA General Obligation credit ratings from Moody's Investors Service, Standard & Poor's and Fitch Ratings.
- Commonwealth of Virginia measures of fiscal condition also reflect the absence of any indicators of distress or financial need.
- With the strength and growth trajectory for Leesburg's tax base, County and Town forecasts indicate continued economic and revenue growth, projected by the Town to further increase General Fund reserves without new tax resources.

Economic and Tax Base

The Town of Leesburg is an economically strong community, with median household income levels well above the statewide average, a comparatively low rate of poverty, and relatively high home values. According to the 2017-21 American Community Survey, the Town's median household income and home value were more than twice the average across all Virginia towns and at least 40 percent higher than the statewide figure.

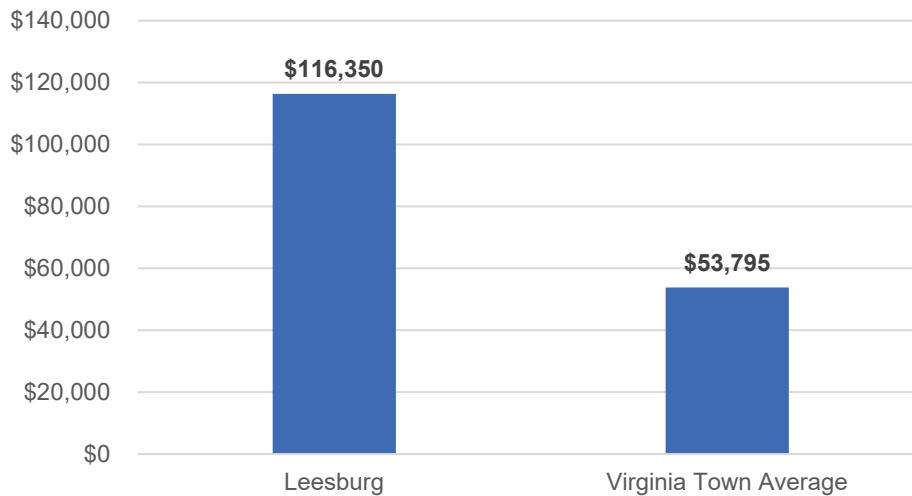
The three local governments selected by the Town as benchmarks in its Notice – Herndon, Vienna, and Purcellville – similarly feature very high local wealth factors. All three towns ("Town Notice comparison group") have significantly higher median household income and home values and lower poverty rates than the statewide average. In particular, the Town of Vienna shows even greater economic strength than Leesburg and Loudoun County, with an exceptionally high median household income of over \$200,000 and recent median home sale price of nearly \$1.0 million.

Demographic Profile

| | Population | Median Household Income | Poverty Rate | Median Home Value | Median Home Sale Price |
|----------------------------------|-----------------------|-------------------------|-----------------------|-----------------------|------------------------|
| Data Source/Date | Census as of 4/1/2020 | 2017-21 Five-Year ACS | 2017-21 Five-Year ACS | 2017-21 Five-Year ACS | February 2023 |
| Leesburg | 48,250 | \$116,350 | 3.6% | \$490,500 | \$672,789 |
| VA Town Average (excl. Leesburg) | 2,538 | \$53,795 | 17.1% | \$183,060 | N/A |
| Commonwealth of Virginia | 8,631,393 | \$80,615 | 9.9% | \$295,500 | \$370,000 |
| Herndon | 24,655 | \$117,741 | 7.3% | \$470,200 | \$595,317 |
| Vienna | 16,473 | \$200,938 | 3.7% | \$827,800 | \$939,500 |
| Purcellville | 8,929 | \$140,536 | 4.5% | \$514,900 | \$687,500 |
| Loudoun County | 420,959 | \$156,821 | 3.3% | \$569,100 | \$630,000 |

Source: Census Bureau; Virginia Realtors Association; Bright MLS, Inc.

Median Household Income



As the major, independent credit rating agencies have noted in their most recent reports, this economic base provides the Town with a foundation for consistent revenue growth and financial stability:

- “The Town of Leesburg (Aaa stable) has a sizeable, diversified economy and serves an affluent population in northern Virginia. The town serves a largely residential base and benefits from a variety of economic anchors including governmental employment, a robust transportation system, and proximity to the Metropolitan Washington Airport Authority’s (MWAA, Aa3 stable) Dulles International Airport (IAD). As a result of increasing commercial and residential development, the town’s revenue base is growing, which will support its strong financial position.”* (Moody’s Investors Service, November 30, 2020)
- “We consider Leesburg’s economy very strong...Leesburg is a wealthy bedroom community that serves the greater Washington, D.C., region’s deep and diverse employment base. The town has also benefited over the past several years from growing employment opportunities within its borders, including in government contracting, medical technology, and small business entrepreneurship supported by the Mason Enterprise Center.”* (S&P Global Ratings, November 23, 2020)

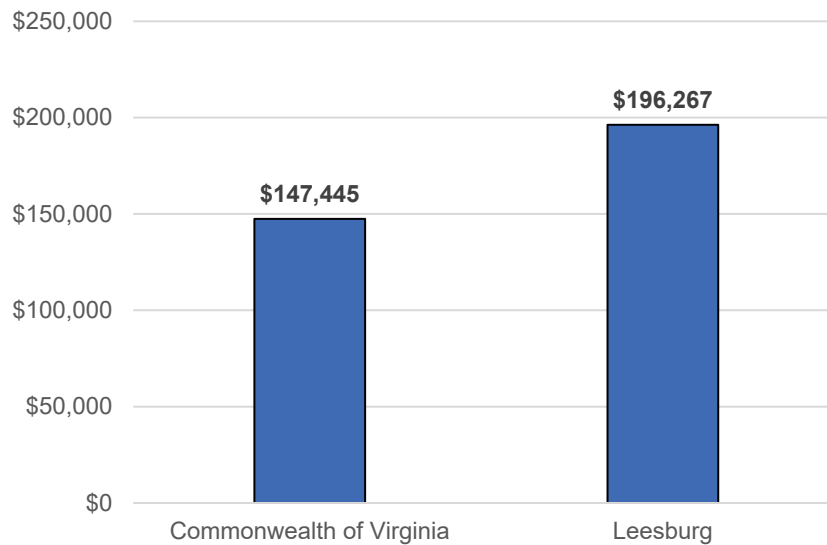
- *“Fitch believes long-term revenue growth is likely to be sustained between inflation and GDP primarily given its proximity to Washington D.C. with its strong long-term economic growth prospects, and the town’s population growth and continuing economic development.”* (Fitch Ratings, November 24, 2020)

Revenues

Real Property Taxable Assessed Value

Real property taxes represent Leesburg’s largest local revenue source (31.3 percent of local revenues in FY2022), as is the case in many other Virginia towns.⁵ Consistent with the Town’s economic strength and growth as a commuter-oriented residential community, this component of the Town’s tax base is strong and has been growing stronger over time -- significantly outpacing population growth. In 2021, Leesburg’s real property taxable assessed value per capita was 33.1 percent higher than the statewide figure.⁶

2021 Real Property Taxable Assessed Value Per Capita



| | 2021 Real Property Taxable Assessed Value | 2020 Population | Real Property Taxable Assessed Value Per Capita |
|--------------------------|---|-----------------|---|
| Leesburg | \$9,469,858,988 | 48,250 | \$196,267 |
| Commonwealth of Virginia | \$1,272,658,725,400 | 8,631,393 | \$147,445 |
| Herndon | \$4,911,560,646 | 24,655 | \$199,212 |
| Vienna | \$5,626,187,990 | 16,473 | \$341,540 |
| Purcellville | \$1,572,340,067 | 8,929 | \$176,094 |
| Loudoun County | \$99,511,565,229 | 420,959 | \$236,393 |

From 2010 to 2021, Leesburg’s real property taxable assessed value grew by 67.2 percent (or an annual average rate of 4.8 percent), higher than all the other towns in the comparison group and the median

⁵ In FY2022, real property tax revenue represents 35.3 percent, 36.4 percent, and 48.1 percent of local revenue sources in Herndon, Purcellville, and Vienna respectively.

⁶ 2021 data was used in this statewide comparison because 2021 was the most recent data year for which data is available according to the FY2022 Annual Report published by the Virginia Department of Taxation.

growth (41.7 percent). Over the same period, statewide real property taxable assessed value only grew by 35.3 percent.

Real Property Taxable Assessed Value

| | 2010 | 2021 | % Change | CAGR |
|--------------------------|-------------------|---------------------|----------|------|
| Leesburg | \$5,663,563,074 | \$9,469,858,988 | 67.2% | 4.8% |
| Commonwealth of Virginia | \$940,691,278,363 | \$1,272,658,725,400 | 35.3% | 2.8% |
| Herndon | \$3,991,807,856 | \$4,911,560,646 | 23.0% | 1.9% |
| Vienna | \$3,467,055,990 | \$5,626,187,990 | 62.3% | 4.5% |
| Purcellville | \$973,757,916 | \$1,572,340,067 | 61.5% | 4.5% |
| Loudoun County | \$54,440,874,027 | \$99,511,565,229 | 82.8% | 5.6% |

On a per capita basis, adjusting for population growth, Leesburg's growth rate in real property taxable assessed value was not only one of the highest among towns in the comparison group; it was also higher than Loudoun County and almost twice the statewide growth.

2020 to 2021 Real Property Taxable Assessed Value Per Capita

| | % Change | CAGR |
|--------------------------|----------|------|
| Leesburg | 47.7% | 3.6% |
| Commonwealth of Virginia | 25.4% | 2.1% |
| Herndon | 16.2% | 1.4% |
| Vienna | 54.5% | 4.0% |
| Purcellville | 39.7% | 3.1% |
| Loudoun County | 35.6% | 2.8% |

Since 2021, the most recent year for which statewide data is available, Leesburg's tax base growth continues to outpace that of the comparison group. According to FY2022 ACFRs, Leesburg's real property taxable assessed value grew by a further 11.6 percent, significantly higher than the growth experienced by towns in the comparison group.

2021 to 2022 Real Property Taxable Assessed Values

| | 2021 Taxable Assessed Value | 2022 Taxable Assessed Value | % Change |
|--------------|-----------------------------|-----------------------------|----------|
| Leesburg | \$9,469,858,988 | \$10,566,622,280 | 11.6% |
| Herndon | \$4,911,560,646 | \$5,295,202,341 | 7.8% |
| Vienna | \$5,626,187,990 | \$6,140,047,930 | 9.1% |
| Purcellville | \$1,572,340,067 | \$1,700,884,755 | 8.2% |

Overall Revenue Trends

Along with this strong growth in the Town's real property tax base, Leesburg's total local revenue growth from FY2010 to FY2022 outpaced its population growth. According to the Comparative Report provided by the Virginia Auditor of Public Accounts (APA),⁷ Leesburg's local revenues grew by 56.0 percent from

⁷ We use APA data instead of the town's ACFR as the data source because certain revenues (e.g., sales and use tax, communications sales and use tax) have been reclassified in the ACFR reporting. To ensure consistent comparison, we used the APA comparative report as the data source. The APA reports general government revenues, which includes revenues received by general government from local sources and total revenue received by general government from the Commonwealth. This does not include federal funds originally received by the Commonwealth which are reported as federal pass-thru, nor does it include revenue specifically designated by the Commonwealth for capital projects. For that reason, the revenue total may not match the revenue total reported in the Town's ACFR.

FY2010 to FY2022⁸, or an annual average growth rate of 3.8 percent -- and the Town's total revenues (inclusive of intergovernmental aid) increased by 3.7 percent per year.

| Fiscal Year | Local Revenues | Intergovernmental Aid | Total Revenues |
|-----------------------|-----------------------|------------------------------|-----------------------|
| 2010 | 34,293,251 | 7,661,576 | 41,954,827 |
| 2011 | 35,805,188 | 7,969,521 | 43,774,709 |
| 2012 | 36,812,050 | 7,751,751 | 44,563,801 |
| 2013 | 38,100,932 | 7,891,140 | 45,992,072 |
| 2014 | 39,599,862 | 8,220,119 | 47,819,981 |
| 2015 | 40,892,795 | 8,260,941 | 49,153,736 |
| 2016 | 41,605,734 | 9,273,426 | 50,879,160 |
| 2017 | 44,112,110 | 9,524,690 | 53,636,800 |
| 2018 | 46,086,430 | 8,935,249 | 55,021,679 |
| 2019 | 49,136,229 | 8,708,503 | 57,844,732 |
| 2020 | 45,736,497 | 9,662,695 | 55,399,192 |
| 2021 | 48,284,739 | 17,883,724 | 66,168,463 |
| 2022 | 53,508,227 | 11,522,253 | 65,030,480 |
| 2010-22 Change | 56.0% | 50.4% | 55.0% |
| CAGR | 3.8% | 3.5% | 3.7% |

It may be noted that the Town's Notice (page 69, Table 5) presents a significantly lower 13.5 percent increase in local revenues from FY2010 to FY2021 than shown above. This data from the Town's Notice understates actual revenue growth, because, unlike the Commonwealth APA data, it does not adjust for the following reclassifications to ensure that the comparison is consistent from year to year:

- Recategorization of Cable TV Franchise revenue from local revenue to intergovernmental revenue beginning in FY2015;
- Recategorization of Telecommunication revenue from local revenue to intergovernmental revenue beginning in FY2017;
- Recategorization of all Communications Sales and Use revenue from local revenue to intergovernmental revenue beginning in FY2017;⁹

These recategorizations were a result of changes in state law. State communication sales and use tax became effective January 1, 2007 and replaced three locally assessed town taxes which were the consumer utility tax on telecommunication services, the mobile telecommunications (cell phone) tax and cable TV franchise fee. These adjustments resulted in \$8.9 million in FY2022 that was accounted for in the intergovernmental category of the Town's Notice instead of in the local revenue category.

⁸ Based on FY2022 APA Draft Comparative Report as of February 15, 2023.

⁹ As noted on page 4f of Leesburg's 2017 ACFR, "the decrease in other local taxes of \$7.0 million is due to a reclassification of sales & use taxes to intergovernmental revenue."

Telecommunications and Related Sales and Use Tax

| | FY2010 | FY2022 |
|----------------------------|-------------|-------------|
| Local revenues | \$6,416,819 | \$0 |
| Intergovernmental revenues | \$0 | \$8,894,947 |

Again, to provide a more consistent comparison of how local revenue has grown for the evaluation of the need for expanded local tax resources, our analysis presents revenues as shown in the state APA Comparative Report.

Over approximately the same period from 2010 to 2020,¹⁰ Leesburg’s population grew by 13.2 percent. While this growth is meaningful, and generally reflective of positive trends in the Town’s tax base and local economy, the rest of Loudoun County experienced significantly higher population growth of 38.2 percent across the same decade. The other town in Loudoun County with a population of over 3,500 is Purcellville, which also had higher population growth (15.6 percent) than Leesburg over the same ten-year period. The Commonwealth overall, as well as the two other communities cited as benchmarks in the Town’s Notice, Herndon and Vienna, also experienced growth, but at somewhat lower rates.

Population – Decennial Census

| | 2010 Census | 2020 Census | % Change | CAGR |
|---------------------------------|------------------|------------------|--------------|-------------|
| Leesburg | 42,616 | 48,250 | 13.2% | 1.2% |
| Herndon | 23,292 | 24,655 | 5.9% | 0.6% |
| Vienna | 15,687 | 16,473 | 5.0% | 0.5% |
| Purcellville | 7,727 | 8,929 | 15.6% | 1.5% |
| Rest of Loudoun County | 269,695 | 372,709 | 38.2% | 3.3% |
| Rest of the Commonwealth | 7,958,408 | 8,583,143 | 7.8% | 0.8% |

On a per capita basis, adjusting for population growth, Leesburg’s local revenues grew by 37.8 percent (or 2.7 percent on an annual average basis) from FY2010 to FY2022, higher than inflationary growth (CPI-U) in the Washington-Arlington-Alexandria DC-VA-MD-WV metropolitan area (1.9 percent annually).

Leesburg’s Per Capita Revenue Growth

| | FY2010 | FY2022 | % Change | CAGR |
|---------------------------------|--------------|----------------|--------------|-------------|
| Population | 42,616 | 48,250 | 13.2% | 1.2% |
| Local revenue | \$34,293,251 | \$53,508,227 | 56.0% | 3.8% |
| Local revenue per capita | \$805 | \$1,109 | 37.8% | 2.7% |
| Total revenue | \$41,954,827 | \$65,030,480 | 55.0% | 3.7% |
| Total revenue per capita | \$984 | \$1,348 | 36.9% | 2.7% |

¹⁰ Our analysis relies on Decennial Census data when calculating population, consistent with the Virginia Auditor of Public Accounts comparative reports’ methodology. While citing this same source, the Town’s petition appears to have used a different data source in certain sections, exaggerating Leesburg’s population growth (and hence the need for additional revenues). The petition accurately presented Decennial Census data in Table 2 on page 61, but the narrative on page 61 and Figure 1 on page 62 instead uses different Vintage 2020 Population Estimates as the data source. As noted by the U.S. Census Bureau, “the Vintage 2020 estimates are based on the 2010 Census and were created without incorporation or consideration of the 2020 Census results.” Our findings are also consistent with the description in the Town’s FY2022 ACFR, page 5q, which states that “[t]he Town’s population was estimated by the US Census Bureau in 2020 to be 54,488. The actual 2021 US Census Bureau official count was 48,908. Other towns in Loudoun County saw similar overestimates in population growth due the Census Bureau’s flawed methodology, which tied town growth to county growth. Population estimates for the last ten years are provided in the statistical section of this report at Table 17. The current population estimate is 49,516.”

Even after adjusting for population growth, Leesburg’s per capita local revenue growth (2.7 percent on an annual average basis) was still higher than two out of the three towns in the comparison group. Herndon and Purcellville both had lower per capita local revenue growth of 1.7 percent. Vienna had higher annual average growth of 3.2 percent, consistent with its relative economic strength as reflected in the demographics profile.

Comparison Group Per Capita Revenue Growth

| | FY2010 Local Revenue per capita | FY2022 Local Revenue per capita | % Change | CAGR |
|---------------------------------|---------------------------------|---------------------------------|--------------|-------------|
| Leesburg | \$805 | \$1,109 | 37.8% | 2.7% |
| Herndon | \$1,189 | \$1,453 | 22.3% | 1.7% |
| Vienna | \$1,097 | \$1,595 | 45.3% | 3.2% |
| Purcellville | \$1,021 | \$1,245 | 21.9% | 1.7% |
| Average (excl. Leesburg) | \$1,102 | \$1,431 | 29.8% | 2.2% |

Compared to Loudoun County, Leesburg’s local revenue growth was lower (3.8 percent versus 6.6 percent) but that was in part a result of the higher population growth in Loudoun County. On a per capita basis, Loudoun County’s local and total revenue growth was 4.0 percent and 3.9 percent respectively.

FY2010 to FY2022 Leesburg Compound Annual Growth Rate (CAGR)

| | Loudoun County | Leesburg |
|---------------------------------|----------------|-------------|
| Local revenue | 6.6% | 3.8% |
| Total revenue | 6.5% | 3.7% |
| Population | 2.5% | 1.2% |
| Local revenue per capita | 4.0% | 2.7% |
| Total revenue per capita | 3.9% | 2.7% |

Tax effort

Leesburg’s 2022 real property tax rate of 0.1774 was 11.8 percent below the statewide average of 0.2012 among towns that levy a real property tax.¹¹ Further, after accounting for the median assessment/sales ratios, Leesburg’s effective real property tax rate remained lower than the statewide average among towns that levy a real property tax. All three of the benchmark communities cited in the Town’s Notice also have higher nominal and effective tax rates. Additionally, Leesburg had a lower meals and beverage tax rate than two of the three benchmark towns, a further component of local revenues.

| | 2022 Nominal Real Property Tax Rate (per \$100 in Taxable Assessed Value) | 2022 Effective Real Property Tax Rate ¹² (per \$100 in Taxable Assessed Value) | 2022 Meals and Beverage Tax Rate |
|---------------------------------------|---|---|----------------------------------|
| Leesburg | \$0.1774 | \$0.1502 | 3.5% |
| 2021 VA Town Average (excl. Leesburg) | \$0.2012 | \$0.1602 | N/A |
| Herndon | \$0.2650 | \$0.2286 | 3.75% |
| Vienna | \$0.2050 | \$0.1768 | 3.0% |
| Purcellville | \$0.2100 | \$0.1778 | 5.0% |

Over the period from 2010 to 2022, Leesburg reduced its real property tax rate by 9.0 percent (-1.5 percent in 2013, -4.7 percent in 2014, -1.1 percent in 2017, and -3.6 percent in 2022). These rate

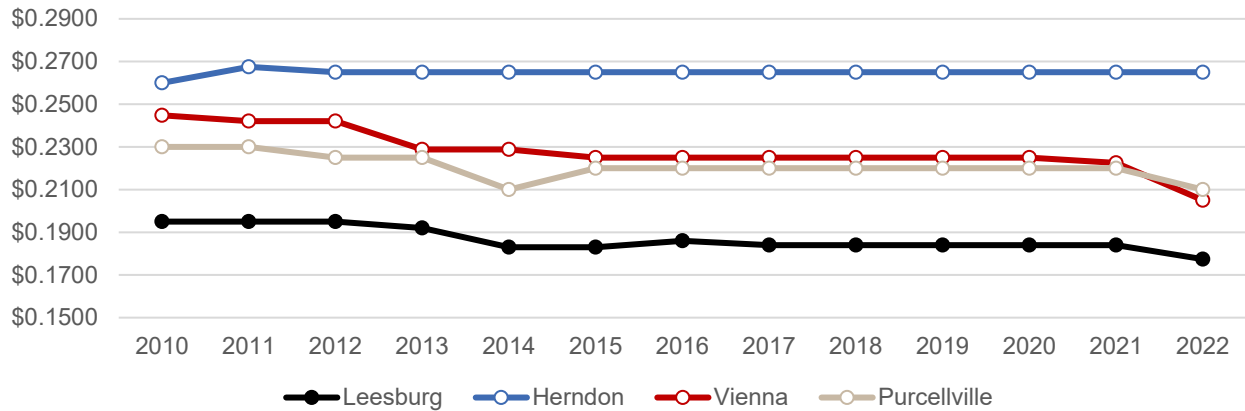
¹¹ According to the most recent TY2021 Local Tax Rates Survey published by Virginia Department of Taxation.

¹² Based on 2021 median ratios in Loudoun and Fairfax Counties according to the Virginia Department of Taxation Assessment/Sales Ratio Study for Tax Year 2021 published on March 2, 2023.

reductions were larger than those adopted by Purcellville over this period (-8.7 percent), while Herndon *increased* its rates. Vienna had a slightly larger rate reduction than Leesburg (-16.3 percent) over the same period, again reflecting Vienna’s demographic and economic strength.

Leesburg’s series of real property tax rate reductions over the past decade, as recently as 2022, indicate that the Town has had no need for expanded tax resources. On a comparative basis, the Town’s low tax rates and favorable trends further indicate that Leesburg’s rate reductions were not driven by sharp competitive pressures and suggest that the Town currently retains untapped capacity to adopt higher tax rates if required to meet financial needs.

Real Property Tax Rate



| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Leesburg | 0.1950 | 0.1950 | 0.1950 | 0.1920 | 0.1830 | 0.1830 | 0.1860 | 0.1840 | 0.1840 | 0.1840 | 0.1840 | 0.1840 | 0.1774 |
| Herndon | 0.2600 | 0.2675 | 0.2650 | 0.2650 | 0.2650 | 0.2650 | 0.2650 | 0.2650 | 0.2650 | 0.2650 | 0.2650 | 0.2650 | 0.2650 |
| Vienna | 0.2448 | 0.2421 | 0.2421 | 0.2288 | 0.2288 | 0.2250 | 0.2250 | 0.2250 | 0.2250 | 0.2250 | 0.2250 | 0.2225 | 0.2050 |
| Purcellville ¹³ | 0.2300 | 0.2300 | 0.2250 | 0.2250 | 0.2100 | 0.2200 | 0.2200 | 0.2200 | 0.2200 | 0.2200 | 0.2200 | 0.2200 | 0.2100 |

Source: Annual Comprehensive Financial Statements, figures shown reflect tax year

With a real property tax rate of \$0.1774 per \$100 in taxable assessed value in 2022, Leesburg also had the lowest average tax bill in the comparison group, 27.1 percent below the median.

2022 Average Tax Bill

| | Average Assessment | Nominal Tax Rate (per \$100 in Taxable Assessed Value) | Effective Tax Rate (per \$100 in Taxable Assessed Value) ¹⁴ | Average Tax Bill |
|--------------------------------|--------------------|--|--|------------------|
| Leesburg | \$521,089 | \$0.1774 | \$0.1502 | \$924 |
| Herndon | \$478,158 | \$0.2650 | \$0.2286 | \$1,267 |
| Vienna | \$909,682 | \$0.2050 | \$0.1768 | \$1,865 |
| Purcellville ¹⁵ | \$507,939 | \$0.2100 | \$0.1778 | \$1,067 |
| Median (excl. Leesburg) | \$507,939 | \$0.2100 | \$0.1778 | \$1,267 |

Source: FY2023 budget documents

¹³ In addition to \$0.21 per \$100 taxable assessed value in real property tax in 2022, Purcellville also levies a \$0.03 per \$100 in taxable assessed value in Fireman’s Field Service Tax District tax used to benefit Fireman’s Field and other recreational or cultural properties within the Town limits, including the maintenance and operation of facilities, the acquisition of land and the construction or installation of improvements.

¹⁴ Based on 2021 median ratios in Loudoun County (84.67%) and Fairfax County (86.26%) according to the Virginia Department of Taxation Assessment/Sales Ratio Study for Tax Year 2021

¹⁵ As noted earlier, Purcellville’s Fireman’s Field Service tax is \$0.03 per \$100 in taxable assessed value. Including that tax would bring the average tax bill to \$1,219.

Comparing Leesburg and Unincorporated Areas in Loudoun County, Leesburg average real property tax per capita – including the County tax rate – was \$1,837, 4.2 percent lower than the average real property tax per capita in the unincorporated areas of Loudoun County (\$1,918).

**2022 Real Property Tax¹⁶
Leesburg versus Unincorporated Areas in Loudoun County**

| | Leesburg Town | Unincorporated Areas in Loudoun County |
|--|----------------------|---|
| 2022 Residential Properties' Assessed Values | \$8,303,782,360 | \$77,353,987,350 |
| Total Nominal Real Property Tax Rate | \$1.0674 | \$0.8900 |
| Population | 48,250 | 358,991 |
| Real Property Tax Per Capita | \$1,837 | \$1,918 |

Compared with other towns in Loudoun County, Leesburg's real property tax per capita was still lower than the median figure (\$1,851). The only towns with lower real property tax per capita was Hillsboro, which did not levy a real property tax, and Lovettsville.

Average Residential Real Property Tax Per Capita

| | 2022 Combined County and Town Tax Rate | Real Property Tax Per Capita |
|--------------------------------|---|---|
| Leesburg | \$1.0674 | \$1,837 |
| Purcellville | \$1.1000 | \$1,843 |
| Hamilton | \$1.1700 | \$1,912 |
| Hillsboro | \$0.8900 | \$1,628 |
| Round Hill | \$0.9900 | \$1,859 |
| Middleburg | \$1.0270 | \$3,075 |
| Lovettsville | \$1.0700 | \$1,696 |
| Median (excl. Leesburg) | \$1.0490 | \$1,851 |

The Virginia Commission on Local Government (CLG) uses revenue capacity – how much revenue a jurisdiction could generate if it taxed its population at statewide average rates – as one of three variables for calculating the fiscal stress index to monitor localities fiscal condition. Using the same concept, if Leesburg were to levy the average real property and meals tax rates among the towns in the comparison group, it would generate approximately \$4.9 million and \$0.9 million respectively in additional revenues based on the 2022 tax base.¹⁷

Real Property Revenue Capacity

| | Real Property Tax Rate (2022) | Estimated Additional Leesburg Revenues Applying the Referenced Town's Rates to the Leesburg Base |
|---------------------------------|--|---|
| Leesburg | \$0.1774 | N/A |
| Herndon | \$0.2650 | \$8.7 million |
| Vienna | \$0.2050 | \$2.7 million |
| Purcellville | \$0.2100 | \$3.2 million |
| Average (excl. Leesburg) | \$0.2267 | \$4.9 million |

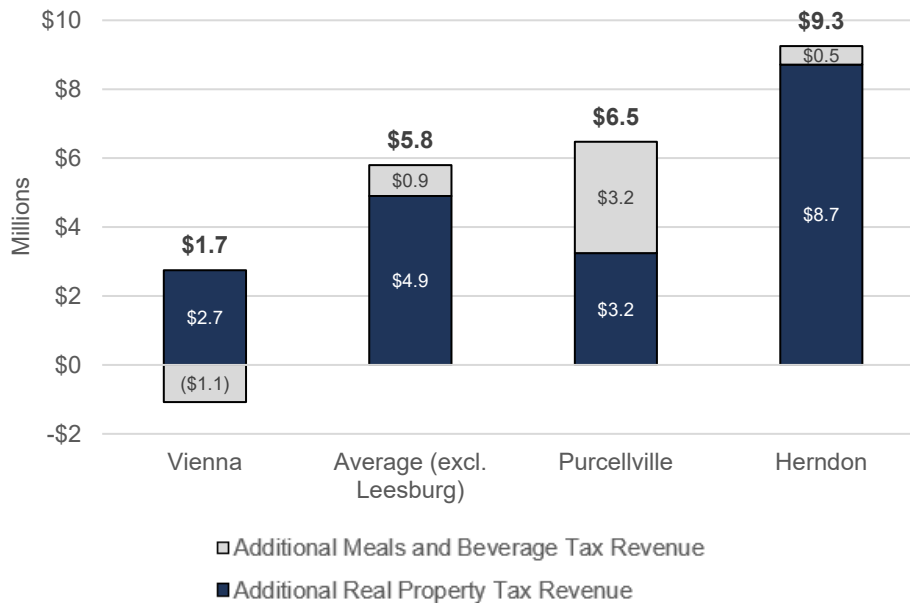
¹⁶ According to Loudoun County Assessment Summary released on January 20, 2023. Residential assessment figures include Class 1, Class 2, and Class 3 residential parcels.

¹⁷ Note that this estimate is approximate and does not account for all potential factors such as changes in economic activity, collection rates, and tax exemptions that would impact actual revenues at the margins. Leesburg's current year collection rate for real property tax was approximately 98% and it has consistently collected close to 100% of its levy once subsequent years' collections are taken into account.

Meals and Beverage Tax Revenue Capacity

| | Meals and Beverage Tax Rate (2022) | Estimated Additional Leesburg Revenues Applying the Referenced Town's Rates to the Leesburg Base |
|--------------------------|------------------------------------|--|
| Leesburg | 3.50% | N/A |
| Herndon | 3.75% | \$0.5 million |
| Vienna | 3.00% | (\$1.1 million) |
| Purcellville | 5.00% | \$3.2 million |
| Average (excl. Leesburg) | 3.92% | \$0.9 million |

Estimated Additional Leesburg Revenues Applying the Reference Town's Rates to the Leesburg Base



Further, as noted in Fitch Ratings' November 2020 credit rating report for the Town of Leesburg, the Town benefits from significant revenue flexibility: "There is no legal limit to the property tax rate or levy in Virginia and the town retains the ability to adjust other local taxes and fees, bolstering the revenue framework."

Expenditures

From FY2010 to FY2022, Leesburg's maintenance and operating expenditures¹⁸ increased from \$43.0 million to \$53.7 million, a 25.0 percent increase (or 1.9 percent annually). On a per capita basis, expenditures increased by 10.4 percent (or 0.8 percent annually).

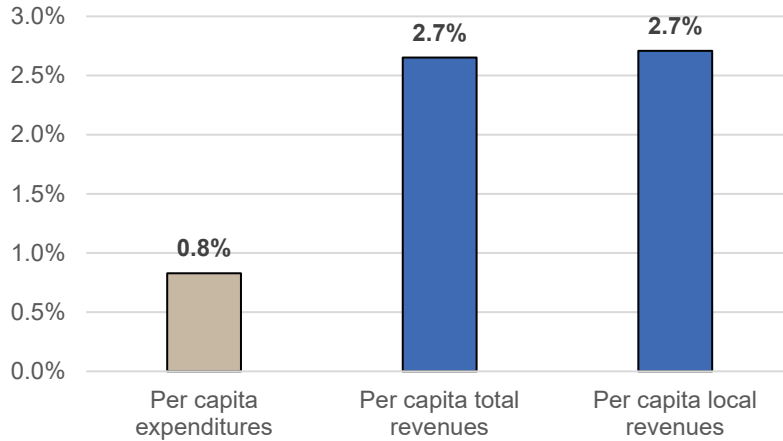
General Government Expenditures

| | FY2010 | FY2022 | % Change | CAGR |
|--|--------------|--------------|----------|------|
| Maintenance and operating expenditures | \$42,959,399 | \$53,692,417 | 25.0% | 1.9% |
| Expenditure per capita | \$1,008 | \$1,113 | 10.4% | 0.8% |

¹⁸ According to the state APA reports and excludes transfer to capital, debt service, and enterprise funds.

Compared to both per capita total revenue growth (2.7 percent) and per capita local revenue growth (2.7 percent), Leesburg’s per capita expenditure growth (0.8 percent annually) was significantly lower.

**Leesburg Revenue Growth Outpaces Expenditures
Compound Average Annual Growth Per Capita FY2010 - FY2022**



| | FY2010 | FY2022 | % Change | CAGR |
|---------------------------|---------|---------|----------|------|
| Per capita total revenues | \$984 | \$1,348 | 36.9% | 2.7% |
| Per capita local revenues | \$805 | \$1,109 | 37.8% | 2.7% |
| Per capita expenditures | \$1,008 | \$1,113 | 10.4% | 0.8% |

Based on the Town’s public documents and reports, moderate expenditure growth rates do not appear to reflect any deficiencies in current services, but instead have been attributed by Town officials to effective management:

- “Within the context of a fiscally prudent budget, the Town has maintained its level of services to its residents and taxpayers, achieved many programmatic goals, and enhanced the quality of life of the residents of the Town.” (FY2022 ACFR, page v)
- “The Adopted Fiscal Year 2023 General Fund budget reduces the current real estate tax rate from 18.4 cents to 17.74 cents which allows the Town to address the Council’s strategic initiatives, fully fund the Town’s snow removal operations, continue meeting the growing needs of the community, and to offset the market and inflation effects of the pandemic.” (FY2023 budget, page 18-19)
- “I am proud to submit the Proposed Budget for Fiscal Year 2024. The proposal supports our ability to maintain the delivery of excellent services that our residents and businesses expect and to meet Council priorities in a manner consistent with the Town Plan.” (FY2024 Proposed Budget, page 19)
- “The Town is proud to provide a full array of award-winning urban services to its residents and the surrounding region.” (Notice, page 113)

Looking at indicators of service demand, even with Leesburg’s population growth since 2010, many categories of service demand have not increased. For example, police calls for service and the number of arrests and citations saw a general decline even prior to the COVID-19 pandemic. Recreation program attendance has dropped since 2010. Garbage and recyclable materials collections have fluctuated from



year to year prior to 2019 but have also seen a general decline in recent years. These operating indicators suggest that the need for general expanded resources to meet growing demand in services is limited, at most.

Operating Indicators included in ACFRs¹⁹

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 ²⁰ | 2022 | CAGR 2010-2022 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------------------|--------|----------------|
| Public safety (25.6% of FY22 expenditures) | | | | | | | | | | | | | | |
| Calls for service ²¹ | 45,236 | 50,832 | 47,864 | 49,764 | 51,028 | 54,261 | 44,110 | 45,831 | 49,695 | 33,734 | 24,946 | 26,881 | 22,985 | -5.5% |
| Adult arrest | 1,302 | 1,468 | 1,244 | 1,063 | 1,189 | 710 | 635 | 1,156 | 934 | 636 | 611 | 503 | 558 | -6.8% |
| Juvenile arrest | 286 | 319 | 237 | 121 | 165 | 83 | 58 | 227 | 71 | 28 | 20 | 18 | 42 | -14.8% |
| Speeding citations | 1,636 | 1,662 | 1,736 | 1,764 | 1,260 | 1,542 | 887 | 854 | 1,069 | 903 | 405 | 571 | 339 | -12.3% |
| Traffic citations | 7,328 | 6,795 | 5,567 | 5,580 | 7,064 | 4,827 | 4,115 | 5,572 | 7,714 | 5,275 | 1,953 | 2,850 | 2,270 | -9.3% |
| Public service (28.0% of FY22 expenditures) | | | | | | | | | | | | | | |
| Garbage collected (ton) | 16,829 | 18,024 | 18,185 | 13,639 | 13,183 | 15,489 | 16,309 | 15,541 | 15,842 | 12,322 | 12,305 | 10,365 | 11,427 | -3.2% |
| Recycle collected (ton) | 8,396 | 9,776 | 10,355 | 7,766 | 5,226 | 7,529 | 7,288 | 7,604 | 6,016 | 3,980 | 4,339 | 3,117 | 1,974 | -11.4% |
| Parks and recreation (14.8% of FY22 expenditures) | | | | | | | | | | | | | | |
| Recreation program attendance | 15,161 | 23,306 | 14,883 | 11,160 | 11,174 | 12,374 | 10,363 | 11,691 | 11,031 | 10,565 | 3,839 | 5,793 | 6,898 | -6.4% |
| Aquatics program attendance | 10,650 | 9,902 | 7,781 | 5,835 | 8,008 | 7,996 | 8,094 | 8,256 | 7,843 | 7,381 | 2,323 | 3,102 | 4,803 | -6.4% |

Similarly, capital assets maintained by Leesburg have not greatly increased. While there has been some increase in the number of traffic signals, streetlights, picnic shelters, and playgrounds provided for a growing population, other categories of infrastructure – such as street miles or the number of library facilities – are less sensitive to population change. As a result, some of the Town’s more costly major infrastructure categories – buildings, facilities, roads – have been increasing at a much slower rate than population growth.

In addition, County-funded recreational facilities in the areas surrounding Leesburg have expanded, thereby mitigating some service demands on the Town. For example, the Claude Moore Recreation Center (12 miles from Leesburg) was established in 2007 with several expansions since, and the Dulles South Recreation and Community Center (20 miles from Leesburg) opened in 2008 and subsequently expanded through additional phases in 2018.

¹⁹ Based on calendar year, consistent with how the information is being presented in the ACFRs.

²⁰ Through September 15.

²¹ These figures are based on the ACFRs and are slightly different from the Leesburg Police Department Annual Reports.

Leesburg's Capital Assets, FY2010 to FY2022

| | FY2010 | FY2022 | % Change | CAGR |
|--------------------------------------|--------|--------|----------|------|
| Police protection | | | | |
| Number of stations | 1 | 1 | 0.0% | 0.0% |
| Streets | | | | |
| Primary (miles) | 15 | 16 | 6.7% | 0.6% |
| Secondary (miles) | 91 | 96 | 5.5% | 0.4% |
| Traffic signals | 50 | 63 | 26.0% | 1.9% |
| Number of streetlights | 2,614 | 3,326 | 27.2% | 2.0% |
| Parks and recreation | | | | |
| Parks - number of acres | 361 | 370 | 2.5% | 0.2% |
| Major parks - number of acres | 265 | 265 | 0.0% | 0.0% |
| Neighborhood parks - number of acres | 96 | 105 | 9.4% | 0.8% |
| Baseball/softball diamonds | 6 | 6 | 0.0% | 0.0% |
| Soccer/football fields | 3 | 3 | 0.0% | 0.0% |
| Basketball courts | 4 | 4 | 0.0% | 0.0% |
| Tennis courts | 11 | 11 | 0.0% | 0.0% |
| Swimming pools | 3 | 3 | 0.0% | 0.0% |
| Parks with playground equipment | 5 | 6 | 20.0% | 1.7% |
| Picnic shelters | 4 | 5 | 25.0% | 2.0% |
| Community centers | 1 | 1 | 0.0% | 0.0% |
| Balch Library | | | | |
| Facilities | 1 | 1 | 0.0% | 0.0% |

The above tables highlight the Town's operating indicators and capital assets reported in the ACFRs in three areas: public safety, public service, and parks and recreation. In the aggregate, these areas represented 68.5 percent²² of the Leesburg's General Government maintenance and operating spending in FY2022. Other areas in the ACFR not shown above are indicators for administrative activities and enterprise-funded utilities and airport.

Fund Balance

The Town's trend of revenue growth outpacing expenditure growth, even with periodic reductions in property tax rates, are reflected in growing Fund Balances in Leesburg's General Fund.

According to the FY2022 ACFR, Leesburg's Fund Balance as a percentage of General Fund expenditures was 77.3 percent, up from 46.5 percent in FY2010 and a low of 34.3 percent in FY2012. Looking at the more flexible portion of the Town's fund balance, Leesburg's unrestricted (including assigned and unassigned) Fund Balance grew from 22.9 percent to 70.0 percent from FY2010 to FY2022. Similarly, Leesburg's unassigned Fund Balance, the metric included in the Town's financial policy, more than doubled from 18.5 percent to 37.1 percent.

²² Another 22.3 percent was for general government administration and 8.6 percent was for community development.

Leesburg's Fund Balance as a % of General Fund Expenditures

| Fiscal Year | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total Fund Balance as a % of General Fund Expenditures | 46.5% | 48.5% | 34.3% | 37.4% | 43.0% | 46.0% | 49.5% | 51.6% | 52.8% | 45.7% | 46.2% | 67.3% | 77.3% |
| Unrestricted Fund Balance as a % of General Fund Expenditures | 22.9% | 25.6% | 32.4% | 35.4% | 40.6% | 43.7% | 47.1% | 48.5% | 51.0% | 43.8% | 44.7% | 60.0% | 70.0% |
| Unassigned Fund Balance as a % of General Fund Expenditures | 18.5% | 19.7% | 18.8% | 20.7% | 22.6% | 20.8% | 22.2% | 22.6% | 25.9% | 20.0% | 25.7% | 39.8% | 37.1% |

While almost half of the Town's FY2022 unrestricted Fund Balance is assigned, thereby not counting toward the Town's goal of 20 percent unassigned Fund Balance, this assigned component of total Fund Balance consists entirely of reserves and expenditures designated for future use and unrestricted by legal constraints. As a result, the substantial assigned balances provide further financial flexibility.

FY2021 and FY2022 Assigned and Unassigned Fund Balance Breakdown

| | FY2021 | FY2022 |
|--|---------------------|---------------------|
| Debt service reserve | \$9,753,620 | \$9,753,620 |
| Other reserves | \$35,190 | \$7,494,010 |
| Expenditures designated for future use | \$2,008,173 | \$2,517,818 |
| Assigned Fund Balance | \$11,796,983 | \$19,765,448 |
| Unassigned Fund Balance | \$23,299,386 | \$22,336,003 |
| Total Unrestricted Fund Balance | \$35,096,369 | \$42,101,451 |

Although a modest decline may be noted in the Town's unassigned Fund Balance from FY2021 to FY2022, this is substantially due to the designation of more than \$7 million of new "assigned" reserves by the Town Council, including a new \$2 million "revenue stabilization and resiliency reserve for recessionary shortfalls," another \$2 million for a "capital projects cost overruns reserve for inflation and unforeseen items," and nearly \$3 million for FY2022 supplemental appropriations for one-time expenditures. Again, these assigned categories remain unrestricted and available to the Town. As noted in the FY2022 ACFR, setting aside significant General Fund reserves in FY2022 from one-time revenues not only provided for statutory reserve requirements; it also created "*significant improvements in fiscal resilience and sustainability.*"²³

Not only have Leesburg's Fund Balances trended positively, but recent levels are also indicative of strong fiscal condition in absolute terms:

- The Town's financial policy is to maintain an unassigned Fund Balance equivalent to 20 percent of General Fund expenditures. Based on FY2022 audited results, with 37.1 percent unassigned reserve balances, the Town has characterized its current levels as "very strong fund balances."²⁴
- The Government Finance Officers Association (GFOA), a major industry group, recommends minimum level of 16.7 percent (or two months) of General Fund revenues.
- Both Moody's and Standard & Poor's use various reserve and liquidity metrics in their assessment of credit quality. For both agencies, such metrics for the Town are substantially higher than minimum thresholds expected for a triple-A rated credit. For example, S&P measures

²³ FY2022 ACFR, page vii.

²⁴ Annual Comprehensive Financial Review by Davenport Public Finance included in Town Council Work Session Packet on January 23, 2023; FY2024 proposed budget, page 18

“Budgetary Flexibility” (one of their seven major credit factors) using the ratio of Fund Balance to Expenditures. Applying S&P’s methodology, this metric for the Town is estimated at 70 percent, significantly exceeding the minimum threshold – 15 percent – that S&P uses to assess Budgetary Flexibility as “Very Strong,” its highest assessment of this credit sub-factor.

- The statewide median unrestricted fund balance as a percentage of General Fund expenses was 34.8 percent in FY2020, compared to 44.7 percent for Leesburg in that year (and 60.0 percent for Leesburg in FY2021).

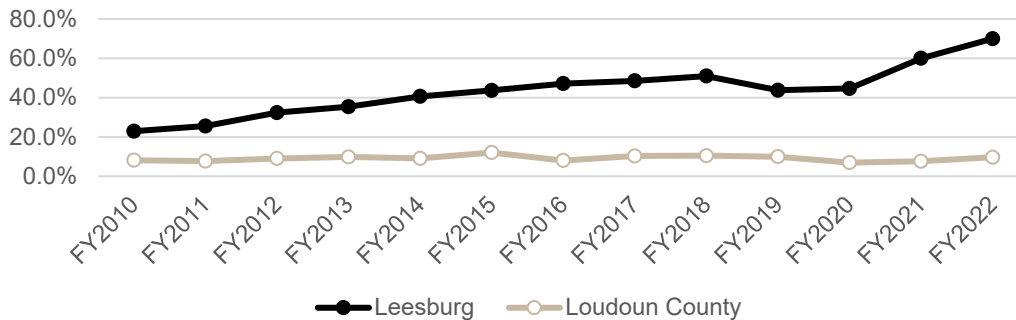
In the Town’s petition, figures are cited indicating that the County’s current General Fund Balance and recent year-over-year changes have been larger than the Town’s in total dollars. Because the County General Fund budget overall is much larger, however, it is more meaningful to compare these figures as a percentage of the total. According to the FY2022 ACFR, Leesburg’s fund balance as a percentage of expenditures was significantly higher than Loudoun County’s on both a total (77.3 versus 27.3 percent) and unrestricted (70.0 versus 9.7 percent) basis. While this relationship is not atypical for governments of widely varying scale, comparing Fund Balance levels as a percentage of expenditures provides a clearer and perspective on relative reserves.

FY2022 Fund Balance as a Percentage of General Fund Expenditures

| | Leesburg | Loudoun County |
|---|----------|---------------------|
| Total Fund Balance as a % of GF Expenditures | 77.3% | 27.3% ²⁵ |
| Unrestricted Fund Balance as a % of GF Expenditures ²⁶ | 70.0% | 9.7% |

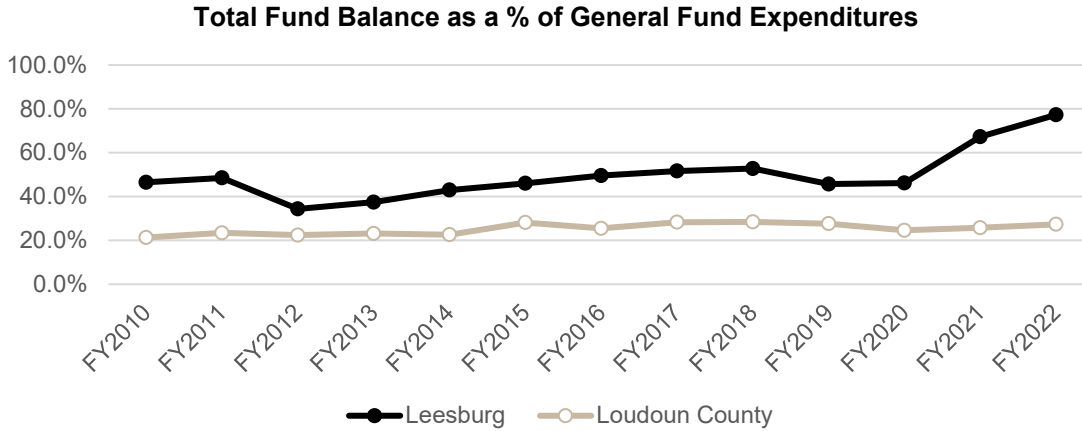
Looking at longer-term trends, the Town’s General Fund Balances have also experienced greater growth than the County’s since FY2010.

Unrestricted Fund Balance as a % of General Fund Expenditures



²⁵ According to Loudoun County’s FY2022 ACFR, page 101, of the \$305.3 million in committed reserves, \$256.0 million was committed to fiscal reserve, and \$24.6 million was committed to volunteer fire and rescue LOSAP pension benefits.

²⁶ This figure includes assigned and unassigned fund balance.



Debt and Long-Term Obligations

The Town’s per capita net debt was \$2,706 in FY2022, lower than the average among all Virginia towns (\$2,897) and significantly lower than the median in the Town Notice comparison group (\$4,992). Leesburg’s per capita debt burden was also well below that of Loudoun County’s (\$8,183), although different service obligations between the Town and the County make these figures less comparable. While the Town’s primary service areas are policing and public works, a primary service provided by the County is schools²⁷ which generally have more capital infrastructure needs.

FY2022 Per Capita Net Debt²⁸

| | FY22 Balance of Net Debt | Population | Per Capita Net Debt |
|--|--------------------------|------------|---------------------|
| Leesburg | \$130,553,217 | 48,250 | \$2,706 |
| Herndon | \$29,401,984 | 24,655 | \$1,193 |
| Vienna | \$82,232,016 | 16,473 | \$4,992 |
| Purcellville | \$58,823,421 | 8,929 | \$6,588 |
| Comparison group median (excl. Leesburg) | \$58,823,421 | 16,473 | \$4,992 |
| VA Town Average (FY2021) excl. Leesburg | \$24,101,822 | 8,959 | \$2,897 |
| Loudoun | \$3,444,892,764 | 420,959 | \$8,183 |

The independent credit rating agencies have also noted Leesburg’s strong debt profile:

- “In our view, Leesburg’s debt and contingent liability profile is strong...Overall net debt is low at 2.5% of market value, and approximately 71.1% of the direct debt is scheduled to be repaid within 10 years, which are, in our view, positive credit factors.” – S&P Rating Report, November 2020
- “The town’s debt profile will likely remain manageable in the near-term given expected tax base growth, the self-supporting nature of the town’s utility system, and manageable future debt plans.” --- Moody’s Rating Report, November 2020

²⁷ According to the FY2023 budget, the Schools Division represented 66 percent of Loudoun County’s local tax funding.

²⁸ FY2022 APA Draft Comparative Report. FY2021 data is used in this statewide comparison because this is the most recent fiscal year for which the APA has reported data statewide as of the development of this analysis. As of April 2023, APA’s website indicated that 40 localities have not submitted data for the fiscal year ended June 30, 2022.

- “The long-term liability burden associated with debt and Fitch-adjusted net pension liabilities is low at 7% of estimated personal income. Fitch expects the burden to remain low as the town's five-year capital program reports a modest level of future debt plans.” – Fitch Rating Report, November 2020

Looking forward, the Town has outlined plans for two major new General Government capital projects – police station expansion estimated to cost approximately \$26 million and the Town shop construction estimated to cost approximately \$15 million. While these incremental capital investments will likely require future borrowing(s) that would add to Leesburg’s net debt per capita, the Town’s projected debt service as a percentage of expenditures is still projected to remain below the Town’s policy maximum of 15 percent, and debt as a percentage of assessed value is projected to be hold below the Town’s policy maximum of 2.5 percent.²⁹

In addition, Leesburg has manageable retiree benefit liabilities. As of the June 30, 2021 valuation date reported in the Town’s FY2022 Annual Comprehensive Financial Report,³⁰ the Town’s balances for employee pension benefits within the Virginia Retirement System (VRS) were 96.4 percent funded. For this valuation, the VRS uses a 6.75 percent investment return assumption, below the 7.0 percent median among large systems nationally.³¹

As shown below, Leesburg’s funded ratio as of June 30, 2021 was also stronger than the median for the Town Notice comparison group.³²

Defined Benefit Plan Funded Ratio as of June 30, 2021

| | Plan Fiduciary Net Position | Total Pension Liability | Funded Ratio |
|--------------------------------|-----------------------------|-------------------------|--------------|
| Leesburg | 124,396,342 | 129,062,091 | 96.4% |
| Herndon | 102,183,626 | 97,347,648 | 105.0% |
| Vienna | 72,559,288 | 77,909,288 | 93.1% |
| Purcellville | 15,918,956 | 17,247,625 | 92.3% |
| Median (excl. Leesburg) | 72,559,288 | 77,909,288 | 93.1% |

Along with strong pension funding, the Town has also prefunded a majority of its Other Post-Employment Benefits (OPEB, largely for retiree healthcare), which represent a relatively small portion of total governmental expenditures.³³

As with the Town’s debt profile, credit agencies have noted Leesburg’s strength in managing its long-term retire benefit obligations:

- “We do not view pension and other postemployment benefit (OPEB) liabilities as an immediate credit pressure because required contributions currently make up a relatively small portion of total governmental expenditures.” – S&P Rating Report, November 2020
- “Pensions are not a source of credit stress for the town....In fiscal 2019, the town contributed \$2.4 million to the [pension] plans, which surpassed its “tread water indicator,” a credit positive.” --- Moody’s, November 2020

²⁹ Annual Comprehensive Financial Review by Davenport Public Finance included in Town Council Work Session Packet on January 23, 2023.

³⁰ FY2022 Annual Comprehensive Financial Report, page 67.

³¹ National Association of State Retirement Administrators, November 2022 distribution of investment return assumptions

³² All four Towns used a 6.75 percent investment return assumption in this valuation.

³³ FY2022 Annual Comprehensive Financial Report pp. 51-62. According to S&P’s November 2020 rating report, Leesburg’s combined required pension and actual OPEB contributions totaled 4.7 percent of total governmental fund expenditures in 2019.

- “Pensions do not contribute significantly to the town's long-term liability burden at less than 1% of personal income.” – Fitch Rating Report, November 2020

Commonwealth of Virginia Fiscal Condition Indicators

The Auditor of Public Accounts has established a prioritized early warning system and annually monitors data and information from this system to identify potential fiscal distress within local governments across Virginia.³⁴ The ratio analysis calculates 12 financial ratios³⁵ and assigns a points-based evaluation for each ratio result. Overall, a higher number of points for each ratio, and cumulatively for all ratios, indicates the locality is generally showing an unfavorable performance in the ratio analysis, while a lower score indicates more favorable financial performance.

In its Local Government Fiscal Distress 2020 and 2021 Report, the APA uses 45 points as the threshold as the indicator for performing further qualitative review to determine the potential for fiscal distress. The APA further noted that the 45-point threshold *“continues to remain a conservative and appropriate evaluation of total ratio points for our analysis.”*

According to the 2021 Ratio Analysis (based on 2020 audited financial reports), Leesburg registered 15.0 total points across the ratio calculations. This total was not only well below the 45-point threshold the APA uses as an indicator for performing further review for potential distress, but it was also significantly below the statewide average of 20.4 points among all towns reported with population of at least 3,500.³⁶ Overall, Leesburg’s favorable score was consistent with sound financial condition and the lack of fiscal distress.

Credit Assessment

Independent credit rating agencies also evaluate local government fiscal condition, using a broad set of indicators including the strength of the local economy, financial position and performance, management, and levels of indebtedness. Moody’s Investors Service, Standard & Poor’s and Fitch Ratings each assign a triple-A rating to the Town’s General Obligation debt which represents the highest and most secure security pledge that the Town can offer, its full faith and credit. Ratings of Aaa/AAA/AAA are the highest ratings achievable from each agency. As of March 2, 2023, Moody’s assigned public ratings to seven (7) Towns in Virginia, three of which were rated Aaa (Herndon, Leesburg, and Vienna).

While the factors considered by each credit agency are similar, their methods are independently established by each firm, and ratings are determined in accordance with written criteria covering both qualitative and quantitative factors. Moody’s and S&P both use a series of specific quantitative metrics in a credit scorecard as part of their methodologies. Fitch uses a more qualitative approach with fewer

³⁴ The Auditor of Public Accounts “apply a judgment-based threshold of total points for all 12 financial ratios to determine whether to perform an additional qualitative assessment of a locality using demographic and other external, qualitative factors as part of the final evaluation.”

³⁵ The ratios evaluated are: Cash and Cash Equivalents + Investments] Current Liabilities/ Charges for Services + General Revenues (Government-wide Activity); Cash and Cash Equivalents + Investments/ Total (Current and Noncurrent) Liabilities (Government-wide Activity); Net Position Unrestricted/ Total Expenses (Government-wide Activity); Change in Net Position (Ending - Beginning)/ Net Position Beginning (Government-wide Activity); Total Tax Supported Debt/ FMV of Taxable Real Estate + Assessed Value of Tangible Personal Property + Assessed Value of Public Service Corporations (Government-wide Activity); Unassigned + Assigned Fund Balances (+ other Committed reserves where applicable)/ Total Expenses (General Fund Activity); Total Fund Balance/ Total Revenues (General Fund Activity); Total Revenues/ Total Expenses (General Fund Activity); Debt Service Principal and Interest Expenses/ Total Revenues (available to pay the debt service) (General Fund Activity and Debt Service Fund Activity, if applicable); Change in General Fund Unassigned Fund Balance (Current Year Ending - Prior Year Ending/ Prior Year Ending) (General Fund Activity); Intergovernmental Operating Revenues/ Total Revenues (General Fund Activity); and, Proprietary Fund Statements- Enterprise Fund Activity: Change in Net Position - Net Fund Transfers To (From)/ Expenses.

³⁶ All Virginia cities and counties, along with towns over a 3,500 population threshold or having a separate school system, are required to submit financial data to the Auditor of Public Accounts for the annual Comparative Report of Local Government Revenues and Expenditures. Accordingly, these financial ratios are only available for towns with a population of over 3,500.



metrics. No matter the independent lens being applied, the Town’s credit metrics exhibit superior financial strength.

Using five years of audited financial results (FY2018 to FY2022), the Town’s credit metrics demonstrate stable and strong trends relative to the rating agency standards. Specifically, estimates of these calculations and analysis yield the following results:

- Within the Moody’s scorecard, the Town’s credit metrics achieve the Aaa threshold in 5 out of 7 quantitative metrics in FY2022, often exceeding the minimum Aaa threshold by significant margins. For example, Moody’s uses the ratio of full value per capita as one of its quantitative metrics for economic strength. The Town’s ratio in FY2022 is estimated at \$196,658, which exceeds Moody’s minimum threshold of \$180,000 for assessing this sub-factor at “Aaa.”
- Within the S&P scorecard, the Town achieves the Aaa threshold in 7 out of 9 quantitative metrics in FY2022, exceeding the minimum Aaa threshold by significant margins in terms of Budgetary Flexibility and Liquidity measures. Specifically, S&P calculates two liquidity metrics: Total Cash as a percent of Total Governmental Funds Expenditures and Total Cash as a percent of Total Governmental Funds Debt Service. For the first liquidity metric, the Town’s ratio in FY2022 is estimated at 95 percent, with 15 percent being S&P’s threshold for a “Very Strong” assessment, the highest possible for this sub-factor. The same strength is illustrated by the second liquidity calculation in which the Town’s metric is estimated at 143 percent in FY2022, well in excess of the 120 percent threshold set by S&P as their minimum level to be assessed as “Very Strong.”
- Over these five fiscal years, S&P’s weighted indicated score (in which a lower score correlates to stronger credit) is estimated in a range of 1.10 to 1.55, in which 1.0 is the best achievable score. The table below shows S&P’s mapping of indicated score to indicated rating.

| Standard & Poor’s | |
|-------------------|------------------------|
| Indicative Rating | Weighted Score Mapping |
| AAA | 1.00 – 1.64 |
| AA+ | 1.65 – 1.94 |
| AA | 1.95 – 2.34 |
| AA- | 2.35 – 2.84 |
| A+ | 2.85 – 3.24 |
| A | 3.25 – 3.64 |
| A- | 3.65 – 3.94 |
| BBB+ | 3.95 – 4.24 |
| BBB | 4.25 – 4.54 |
| BBB- | 4.55 – 4.74 |
| BB | 4.75 – 4.94 |
| B | 4.95 – 5.00 |

A more detailed credit rating analysis of the Town is included in the Appendices.

Economic and Financial Projections

Consistent with the rating agency expectations outlined previously (“*Fitch believes long-term revenue growth is likely to be sustained...*”), the Leesburg area is projected to see continued economic and tax base growth over the period beginning in 2020 through 2030. According to demographic forecasts by

Loudoun County, population in the Leesburg Planning Subarea³⁷ is forecast to see 23.2 per cent growth from 2020 to 2030, 2.1 percent per year, in addition to similar growth trends in employment, households, and housing units.

2020 – 2030 Demographic Forecasts, Leesburg Planning Subarea³⁸

| | 2020 | 2025 | 2030 | 2020-2023 Total Growth | 2020-2023 CAGR |
|----------------------|--------|--------|--------|---------------------------|-------------------|
| Population | 60,333 | 66,907 | 74,335 | 23.2% | 2.1% |
| Employment | 30,484 | 32,974 | 34,627 | 13.5% | 1.0% |
| Households | 20,056 | 22,034 | 24,299 | 21.2% | 2.0% |
| Housing Units | 20,922 | 22,943 | 25,282 | 20.8% | 2.0% |

Supported by ongoing economic growth, the Town’s own General Fund forecasts as included in the Town Manager’s Proposed Fiscal Year 2024 Budget transmitted on February 13, 2023 project a continued positive trajectory for tax revenues. As the Town Manager’s transmittal³⁹ notes, “[o]ver the past year, we have seen many of the revenues that were most affected by the pandemic return to, or surpass, pre pandemic levels...”, contributing to a projected 12.4 percent rebound in local tax revenues from the FY2023 Adopted Budget to the FY2024 Proposed Budget. Thereafter, the Town forecasts continued 4.0% annual growth in local taxes through FY2028, all with no change in tax rates after the reduction to 0.1774 effective in FY2023.

FY2024 – 2028 Town of Leesburg Tax Revenue Forecasts⁴⁰

| | FY2022 Actual | FY2023 Budget | FY2024 Proposed | FY2025 Forecast | FY2026 Forecast | FY2027 Forecast | FY2028 Forecast |
|------------------|------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Taxes | \$39,227,814 | \$38,647,376 | \$43,448,046 | \$45,185,968 | \$46,993,407 | \$48,873,143 | \$50,828,069 |
| Δ Year-Over-Year | -- | (1.5%) | 12.4% | 4.0% | 4.0% | 4.0% | 4.0% |

Looking prospectively, there is no indication that Leesburg faces exceptional expenditure pressures ahead.

- Consistent with historical trends, increased service demands driven by population are not anticipated to result in proportionate municipal spending growth, given that many Town amenities and significant infrastructure are already in place (i.e., greater density does not require a proportionate increase in parks, roads, municipal facilities, etc.).
- Beginning in FY2022, the Town also phased out its past contributions toward fire and rescue services which are now substantially County-funded with no Town contributions.
- Although the FY2024 Proposed Budget does take note of compensation pressures driven by near-term labor market conditions and a spike in inflation during the pandemic period, a common dynamic across the public sector, the FY2024 Proposed Budget already incorporates an 8.8 percent ratchet in personnel services expenditures without any tax rate increase. Thereafter, from FY2024 through FY2028, the Town projects more moderate 2.0 percent annual growth in

³⁷ Includes areas outside the Town of Leesburg. Total population in the Leesburg Planning Subarea was 60,333 in 2020 when the Town of Leesburg’s population was 48,250.

³⁸ Loudoun County Department of Finance and Budget, COG Round 9.2 Cooperative Forecast submission, February 2021. Population growth is projected to continue at a slower rate beyond 2030.

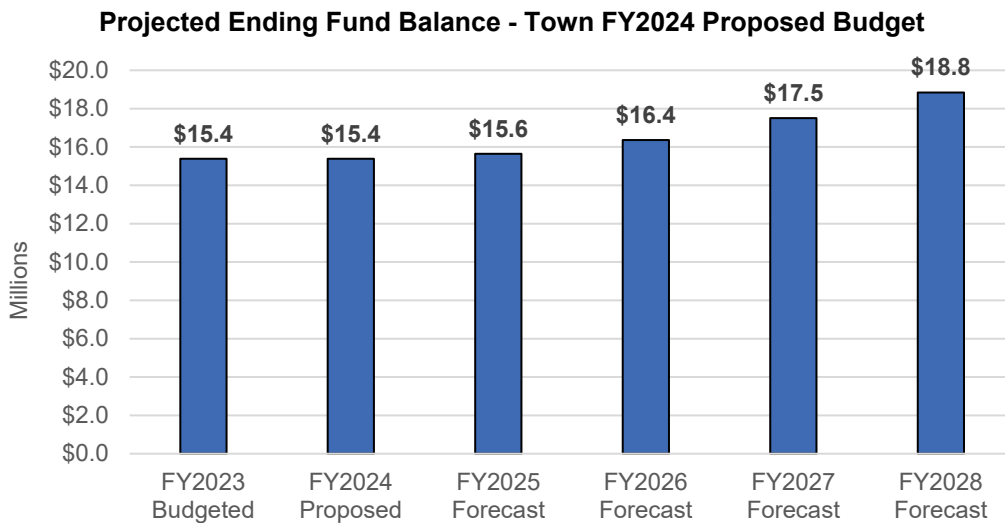
³⁹ FY2024 Proposed Budget, Town of Leesburg, page 17.

⁴⁰ FY2024 Proposed Budget, Town of Leesburg, page 43.

personal services expenditures, consistent with mainstream economic expectations that inflation will continue to abate and that labor market pressures will ease.

- The Town’s forward-looking debt position is also manageable. According to the Town’s financial policies, Leesburg seeks to amortize its debt with “rapid payback” averaging at least 60 percent within 10 years to provide future capacity. As of the FY2022 Annual Comprehensive Financial Report, the Town’s amortization would retire debt at an even faster pace, with 72.8 percent to be retired over 10 years. Further, the Town’s policy is to maintain bonded (General Obligation) debt levels within 2.5 percent of total assessed value of taxable property. For FY2022, the Town reported this percentage at just 1.11 percent,⁴¹ providing ample capacity for future investments.
- Leesburg’s strong funding for pension and other Post-Employment Benefits also position the County to have relatively steady costs for retiree benefit obligations, rather than significant exposure to unfunded liabilities.

Overall, the five-year General Fund Pro Forma included in the Town’s FY2024 Proposed Budget⁴² projects balance between sources and uses for FY2024, with additions to Fund Balance in each year from FY2025 through FY2028.



During the above period of projected continued growth in Fund Balance, the Town assumes no change in tax rates following the 2022 tax rate reduction and an addition of 17.5 full-time equivalent positions (11.1 percent increase) across all funds. Both of these assumptions are already incorporated in the above projections.

Utilities Fund Analysis

The above financial analysis has focused primarily on the Town’s General Fund and the need, if any, to expand tax resources in support of the General Fund. In Leesburg, as in many communities, water and sewer services are provided through a separate, independent Utilities Fund that covers costs through water and sewer rates and charges, as well as utility-specific grants and earnings, rather than through general taxes.

As of June 30, 2022, Leesburg’s Utilities Fund, which accounts for water and sewer service, had \$50.1 million in unrestricted assets, 2.5 times its operating expenditures (\$21.6 million), well above the

⁴¹ FY2022 Annual Comprehensive Financial Report, page 5q.

⁴² FY2024 Proposed Budget, page 43.



recommended levels by the Government Finance Officers Association (GFOA), International City/County Management Association (ICMA), and the Water Environment Federation (WEF).⁴³

| | FY2010 | FY2022 |
|--|--------------|--------------|
| Cash and cash equivalents | \$14,036,377 | \$53,660,838 |
| Unrestricted reserves | \$14,222,991 | \$50,122,305 |
| Operating expenses | \$14,637,128 | \$21,581,011 |
| Days of cash and cash equivalents | 350 | 908 |
| Days of unrestricted reserves | 355 | 848 |
| Unrestricted reserves as a % of operating expenditures | 97.2% | 232.3% |

The Town Utilities Fund's 908 days cash on hand also well exceeds the threshold of >250 days for "very strong" as associated with a Aaa credit according to Moody's *Utility Revenue Debt Methodology*.

Moody's Utility Revenue Debt Methodology – Days Cash on Hand

| | Very Strong | Strong | Moderate | Weak | Poor | Very Poor |
|--------------------------|-------------|-------------------------|------------------------|-----------------------|----------------------|-------------|
| | Aaa | Aa | A | Baa | Ba | B and Below |
| Financial Strength (40%) | | | | | | |
| Days Cash on Hand (15%) | > 250 Days | 250 Days ≥ n > 150 Days | 150 Days ≥ n > 35 Days | 35 Days ≥ n > 15 Days | 15 Days ≥ n > 7 Days | ≤ 7 Days |

The above factors indicate that the Town's Utilities Fund is also in very strong financial condition, such that no general tax support is needed, even if the Town determined to subsidize its water and sewer ratepayers (which is not standard or recommended practice). As outlined in the section to follow, annexation would actually reduce Utilities Fund revenues due to the lower rates for in-town services, thereby marginally weakening the Town's capacity to provide this category of services.

⁴³ According to the Cash Reserve Policy Guidelines published by the American Water Works Association (AWWA) in 2018, the Water Environment Federation (WEF) recommends 1 to 3 months of operating costs, the International City/County Management Association (ICMA) recommends 1 to 2 months of expenses, and the Government Finance Officers Association (GFOA) recommends no less than 45 days of expenses.

Financial Impact for the Town of the Proposed Annexation

The proposed Annexation Area consists of 402.8 acres of industrial and commercial land and 2.7 lane miles. There are no residents.

Because the Annexation Area will have no residents, multiple Town services would be expected to experience little or no impact from activity in this area, with or without annexation. Such services include:

- Department of Parks and Recreation.
- Thomas Balch Library.
- Solid waste collection and disposal, not provided by the Town for commercial properties.
- Capital program and debt service associated with the above activities.
- Executive and administrative support costs associated with the above activities.

In addition, any indirect impact on the Leesburg Executive Airport operated by the Town, if any, would be funded from the leases, fees, and other airport-specific revenue, and not related to or reliant upon the Town's tax resources.⁴⁴

Fire and rescue services in the proposed annexation area are provided by the Loudoun County Combined Fire and Rescue System (LC-CFRS) primarily funded by Loudoun County.⁴⁵ There are two fire stations that serve Compass Creek -- County Station 13 (2.8 miles from Compass Creek), funded entirely by the County, and Leesburg Volunteer Fire Company (LVFR) Station 20 (2.3 miles from Compass Creek), also substantially funded by the County.

According to the Town's FY2022 Adopted Budget (page 92), the Town's past annual contributions to the LVFR (\$166,635 in FY2021) have now phased out for FY2022 and beyond, such that there is no financial impact on the Town for fire and rescue – eliminating any demand on tax resources to help fund this service category and reducing the need for expanded tax resources overall.

The Town's Notice (page 127) estimates potential total, incremental expenses "associated with providing additional urban services" at approximately \$250,000, equivalent to 0.4 percent of the Town's FY2022 Adopted Budget General Fund revenues.⁴⁶ The Notice (page 145) further states that "[t]hese are generous estimates; the actual future costs will likely be smaller." At the same time, the Notice estimated loss to the Town of approximately \$290,000 annually in utility revenue at full buildout. The categories and estimates identified in the Town's Notice are further summarized in the table below.

| Service Category | Service(s) Identified in Town Notice | Annual Fiscal Impact with Town "Generous" Estimates |
|---|---|---|
| Public Safety | "May" need one additional police officer | \$97,000 |
| Streets/Infrastructure maintenance and repair | Streets, signals, landscaping, sidewalks, snow removal maintenance and repair | \$50,000 |
| General government | Executive, legal, finance, administrative | \$103,000 |
| General Fund Impact | | \$250,000 |
| Utility Services | Water and sewer services (rates lower in-town) | (\$290,000) |
| All Funds Impact | | (\$40,000) |

The following section further reviews the areas of potential impact on Town services identified in the Notice.

⁴⁴ On June 29 of FY2012, the Town elected to transfer the airport activity to the general government. FY 2013 was the first fiscal year in which the airport activity was fully accounted for by the general government.

⁴⁵ Notice of Petition, page 109.

⁴⁶ FY2022 General Fund budgeted revenue was \$65,366,346.

Public Safety Impact

With no residents -- and with over 90 percent of the Annexation Area planned for use by data centers that generally do not have significant commercial activity or foot traffic, or for dedicated rights-of-way and wetland – the expected public safety demand from the Area’s parcels would be minimal, even if the area were to be annexed into the Town.

Proposed Annexation Area⁴⁷

| Parcel | Proposed usage ⁴⁸ | Acres | % of Total |
|------------------------------------|------------------------------|-----------------|---------------|
| Microsoft Corporation | Industrial (data center) | 323.372 | 80.3% |
| Leesburg Commercial LC | Industrial (data center) | 27.983 | 6.9% |
| Walmart Real Estate Business Trust | Commercial (Walmart) | 20.552 | 5.1% |
| Realty Income Properties #18, LLC | Commercial (At Home) | 10.434 | 2.6% |
| CC Outparcel LC | Restaurant | 1.500 | 0.4% |
| Leesburg Commercial (wetland) | Wetland | 1.400 | 0.3% |
| Dulles Greenway Toll Road off ramp | Greenway off ramp | 1.340 | 0.3% |
| CC Skating LLC | ION Center property | 0.960 | 0.2% |
| Dedicated right-of-way | Right-of-way | 15.3 | 3.8% |
| Proposed annexation acres | | 402.8317 | 100.0% |

The only parcels with commercial activity would be a Walmart Supercenter, the At Home store, and a restaurant to be developed in the Compass Creek Outparcel property. These three parcels total 32.5 acres, which equates to only 0.5 percent of the Town’s total residential and commercial land use.

The minimal public safety service demands required by Compass Creek, which includes the proposed Annexation Area as well as an additional 120 acres of primarily commercial activity⁴⁹ already within the Town’s borders, is evident in historical calls for service data. As shown below, *combined* Loudoun County Sheriff responses⁵⁰ and Leesburg Police Department (LPD) mutual aid responses to calls in Compass Creek represented an average of approximately one per day or less.⁵¹ Further, Compass Creek already includes 120 acres of commercial parcels within the Town’s borders, with annexation slated to add only 32.5 more acres with predominately commercial activity. In other words, the minimal level of calls for service cited below encompass an area that is already largely within the Town

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Sheriff response to calls in Compass Creek | 1 | 8 | 183 | 237 | 251 | 296 |
| LPD response to calls in Compass Creek ⁵² | 2 | 25 | 93 | 66 | 56 | 28 |
| Total LPD Calls for Service ⁵³ | 45,831 | 49,695 | 33,734 | 24,946 | 26,881 | 22,985 |
| Combined Compass Creek calls as a % of LPD Total Calls | 0.0% | 0.1% | 0.8% | 1.2% | 1.1% | 1.4% |
| Average Number of Calls Per Day | 0.0 | 0.1 | 0.8 | 0.8 | 0.8 | 0.9 |

⁴⁷ Notice of Petition page 1-2, 64.

⁴⁸ Notice of Petition page 91-92, 116.

⁴⁹ Notice of petition, page 8.

⁵⁰ Loudoun County Sheriff’s Office Local Detail Report, 2017 to 2022

⁵¹ The calls for service figures provided in the FY2021 ACFR are from January 1, 2021 through September 15, 2021. The number of calls for service in all other years represent a full year of data.

⁵² Notice of Petition page 108.

⁵³ As noted earlier, these figures are based on the numbers reported in the ACFRs and are slightly different from the ones reported in the Leesburg Police Department Annual Reports.

In 2022, approximately 80 percent of the Loudoun County Sheriff's 296 total responses to calls in Compass Creek were related to minor incidents such as animal complaints, nuisances, 911 hang ups or open lines, building checks, and suspicious vehicles. Another 11.5 percent of the calls were related to property crime (larceny, shoplifting etc.), with the remaining calls related to traffic incidents. Of the total 296 calls during the year, 183 (62 percent) occurred at the Walmart Parcel. Given that the Walmart Parcel represents most of the incidents in Compass Creek, and that the major plans for buildout of the Annexation Area involve data centers with limited commercial activity, there is no indication that further development of Compass Creek would result in significant increases to call volume or service demands.

2022 Loudoun County Sheriff Response to Compass Creek

| | Walmart Parcel | Other Parcels | Total Sheriff CFS |
|--------------------------|----------------|---------------|-------------------|
| Property crime | 30 | 4 | 34 |
| Traffic incidents | 22 | 5 | 26 |
| Other | 132 | 104 | 236 |
| Total Sheriff CFS | 183 | 113 | 296 |

Outside of Compass Creek, the Loudoun County Sheriff also provides extensive mutual aid assistance to the LPD for calls within the existing Town boundaries, and the County funds 70 percent of the cost for LPD School Resource Officers for schools located within the Town.

For the Town overall, according to recent Annual Comprehensive Financial Reports (ACFRs), police calls for service for all of Leesburg have declined from the levels of 2010-2015, while sworn staffing has increased. Although some of the recent decline in the number of calls for service may be due in part to the effects of the COVID-19 pandemic,⁵⁴ service calls in 2019 (the most recent calendar year pre-pandemic) were also well below the levels of the prior decade.

Police Calls for Service, 2010 to 2022⁵⁵

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------------------|--------|
| Police calls for service | 45,236 | 50,832 | 47,864 | 49,764 | 51,028 | 54,261 | 44,110 | 45,831 | 49,695 | 33,734 | 24,946 | 26,881 ⁵⁶ | 22,985 |
| Sworn FTE | 83 | 85 | 85 | 87 | 87 | 87 | 87 | 87 | 87 | 83 | 90 | 90 | 90 |
| Calls for service / FTE | 545 | 598 | 563 | 572 | 587 | 624 | 507 | 527 | 571 | 406 | 277 | 299 | 255 |

The increased sworn police headcount shown in the table above reflects the FY2020 addition of 7 FTE (2 Sergeants, 2 Detectives, 1 Public Information Officer, 1 Training Officer, and 1 position funded by a Domestic Violence Grant). This increase was funded without tax resources from the Annexation Area and continues after the 2022 decision to reduce the Town's property tax rate from \$0.1840 to \$0.1774 per \$100 in assessed value.

Given increased LPD staffing and declining overall calls for service in the Town as a whole, there is no indication that the Annexation Area requires additional police resources for the Town to maintain quality overall service, nor that fully annexing this small area with no residents would create significant demand.

The Town's Notice (page 75) indicates that providing full law enforcement services to the Annexation Area if it were to become a part of the town *"will require an increased police presence, and the Town **may** need to hire an additional police officer, at a cost of approximately \$97,000 per year."* [emphasis added]

⁵⁴ FY2021 Annual Police Department Report, page 17.

⁵⁵ Service demand data is based on calendar year when headcount data is based on fiscal year, consistent with how the information is being presented in the ACFRs.

⁵⁶ Through September 2021.

The above review of overall police staffing and demand trends within the Town indicates that:

- The Notice’s estimate that it “may” need one additional officer upon annexation is conservative. Given recent overall staffing increases and moderated call for service volume, it may also be possible to serve this area with existing personnel and no significant service impact.
- Even if one police officer were to be added upon annexation, the Town’s estimated cost would be below the reduction in overall public safety costs already experienced in FY2022 due to phasing out Town contributions for fire and rescue services.
- If annexation does not occur, the demands on the Town’s public safety services for mutual aid responses are *de minimis*.

Infrastructure Maintenance Impact

The Town’s Notice (page 145) indicates that providing maintenance and repairs of streets, signals, streetlights, landscaping, sidewalks, and snow removal would cost an additional \$50,000 annually with annexation. This estimate would represent an approximately 0.3 percent increase to the Town’s FY2022 Adopted Budget of nearly \$15.3 million for the Department of Public Works and Capital projects.

Most of the lane miles in the proposed Annexation Area are maintained by the state, and the remaining portion is maintained privately.⁵⁷

Current and Annexation Area Lane Miles

| Current Lane Miles | |
|------------------------------------|---------------|
| Town-maintained miles | 268.61 |
| State-maintained miles | 23.04 |
| Leesburg’s total lane miles | 291.65 |
| Annexation area | |
| State-maintained | 2.4 |
| Privately maintained | 0.3 |
| Total lane miles | 2.7 |

According to the Town’s Notice (page 139), Leesburg “*does not anticipate needing to make any significant expenditures for infrastructure in the Compass Creek Annexation Area. The Town already provides water and sewer service to the Annexation Area, and the associated infrastructure is in place. The street, sidewalk, curb, gutter and streetlight infrastructure has been constructed, and the Town already maintains a portion of Compass Creek Parkway. Additionally, the stormwater infrastructure serving the Annexation Area is in place.*” Further, this existing infrastructure was substantially funded by the private developers of this area, not by Town tax revenues or Town-financed debt.⁵⁸

General governmental impact

The Town’s Notice (page 145) also projects costs for general government responsibilities resulting from annexation, estimating a maximum of \$103,000.

“The Town anticipates a general governmental expenditure allocation of \$103,000 per year to address increased executive, legal, finance, and administrative expenses. These are generous estimates; the actual future costs will likely be smaller.”

⁵⁷ Notice of Petition page 68. Leesburg currently provides snow removal services to approximately 0.5 miles of Compass Creek Parkway even though outside the Town’s boundaries.

⁵⁸ Crosstrail Commercial Center and Compass Creek - Section 4 proffer statements.



The Notice provides no methodology for the derivation of this estimate, which appears to reflect the net of estimated infrastructure costs (\$50,000) and the potential addition of a police officer (\$97,000) from a rounded figure of \$250,000 for the total estimated maximum expenditure impact.

Given this limited data, it is unclear whether this estimate is based on the potential for new, incremental general governmental costs resulting from annexation, or whether this figure reflects a reallocation of existing costs already covered within the Town’s budget. With operational requirements estimated to include only \$50,000 for annual infrastructure maintenance and repair and the possible addition of one FTE in public safety, the impact on general government activities related to financial management and human resources would likely be minimal. If no new executive, legal, finance, or administrative employees will need to be hired to meet the additional general government responsibilities of this area, then there is no added personnel cost requiring expanded tax resources.

Utilities Fund Impact

Currently, as out-of-town customers, properties in the Annexation Area pay higher outside-town water and sewer rates. With annexation, the properties would pay lower in-town water and sewer rates, resulting in reduced revenues for the Town’s Utilities Fund. In other words, to whatever extent Leesburg has an increased financial need for its utility funds as a result of the Town extending water and sewer services into the Joint Land Management Area (JLMA) with new activity and service demands, the proposed annexation would actually reduce the Town’s future Utilities Fund resources.

According to rates effective July 1, 2022, consumption charges for outside-town customers are 40 percent to 52 percent higher than inside-town customers. In FY2024, these rates will increase by 4.5 percent and the percentage difference between inside and outside town rates will remain the same.

Inside-town versus Outside-town rates (Rates Effective 7/1/2022-6/30/23)

| | | Inside town | Outside town | Difference |
|--|--|-------------|--------------|------------|
| Commercial customers | Water consumption rate / 1,000 gallons | \$7.58 | \$10.68 | 40.9% |
| | Sewer consumption rate / 1,000 gallons | \$7.50 | \$11.40 | 52.0% |
| Irrigation and cooling tower customers | Water consumption rate (first 240,000 gallons) | \$8.43 | \$11.89 | 41.0% |
| | Water consumption rate (> 240,000 gallons) | \$10.97 | \$15.47 | 41.0% |
| | Sewer consumption rate / 1,000 gallons | \$7.50 | \$11.40 | 52.0% |

Because of the rate difference between inside- and outside-town customers, applying the utility usage estimates in the Notice, Leesburg is projected to collect \$290,000 less in utility revenue by FY2027 when the properties in the proposed annexation area are complete. The actual lost revenues are almost certainly going to be higher given that this estimate does not include additional rate increases in FY2025 and beyond, given that the Town has adopted rate increases through FY2024.

Projected Revenue Difference between Inside- and Outside-Town Rates

| | Water User Fees | | | | Sewer User Fees | | | | Total Difference |
|--------|-----------------|-------------|--------------|-------------|-----------------|-------------|--------------|------------|------------------|
| | Gallons | Inside-town | Outside-town | Difference | Gallons | Inside-town | Outside-town | Difference | |
| FY2023 | 12,927,500 | \$132,467 | \$186,783 | (\$54,316) | 4,429,500 | \$33,221 | \$50,496 | (\$17,275) | (\$71,591) |
| FY2024 | 25,283,500 | \$264,433 | \$372,826 | (\$108,393) | 8,084,000 | \$62,386 | \$94,843 | (\$32,457) | (\$140,850) |
| FY2025 | 34,829,000 | \$371,321 | \$523,544 | (\$152,223) | 10,504,500 | \$82,355 | \$125,214 | (\$42,858) | (\$195,082) |
| FY2026 | 43,630,500 | \$470,765 | \$663,769 | (\$193,004) | 12,181,000 | \$95,499 | \$145,198 | (\$49,698) | (\$242,703) |
| FY2027 | 52,432,000 | \$570,208 | \$803,994 | (\$233,785) | 13,857,500 | \$108,643 | \$165,181 | (\$56,539) | (\$290,324) |

In addition to these prospective rates, Leesburg has historically recovered one-time capital costs with specific fees and charges from the past extension of water and sewer services to the Annexation Area.

The Town's Notice (page 96 to 99) described the development of water and sewer infrastructure to serve Compass Creek, including \$5.3 million in Phase I construction and Phase II engineering costs and \$4.0 million in Phase II construction costs, totaling \$9.3 million.

As described in the Notice, these are pro rata projects, meaning that, as future development occurs, the developer pays a pro rata share of the cost of water and/or sewer improvements serving the property. According to the Town's resolutions, the pro rata fees were established and adjusted to "reflect actual engineering and construction costs" so that the Town can recover the cost of developing infrastructure, including any applicable inflationary adjustments according to the Engineering News Record Construction Cost Index value at the time of application.

In addition to recovering the cost of construction through pro rata fees, the Town also collects one-time availability fees "by which the Town recovers the cost of the infrastructure needed to provide water and sewer service."⁵⁹ The Town anticipated \$10.0 million in availability fees from Microsoft Corporation alone at the time it approved providing water and sewer service to service Microsoft.⁶⁰ These fees are in addition to the pro rata fees and the quarterly utility bill charged based on established out-of-town rates.

Further, not only did Leesburg recover the cost of construction and engineering from the Pro-Rata fees, it also benefits from being able to spread its general fixed costs across a larger rate base going forward.

Summary

The proposed Annexation Area currently has a *de minimis* impact on the Town's expenditures, If annexation were approved – with no residents, small acreage, and infrastructure already in place – any new expenditure requirements would also be very low, creating no need for expanded tax resources.

- The Town estimates infrastructure maintenance and repair costs at \$50,000 annually, 0.3 percent of the Town's FY2022 public works budget and less than 0.1 percent of the Town's \$65.4 million General Fund.
- With regard to public safety, the Town's estimate of \$97,000 for a new police officer that it "may" hire is not a clearly necessary expenditure, and, even if incurred, would be less than the Town has recently saved by phasing out fire and rescue obligations substantially funded by the County.
- The methodology for the Town's remaining cost estimates for general government demands is not presented, but many, if not all, of these costs appear to already be built into the Town's existing budget.

Further, annexation would *reduce* revenues available to the Town to provide water and sewer services by approximately \$290,000 annually due to lower rates for in-town customers.

The new tax revenues estimated by the Town to result from annexation at \$9.9 million after full development in FY2026 would be disproportionate to the added General Fund costs, estimated by the Town at a maximum of \$250,000 and potentially as low as \$50,000 absent the hire of another police officer and with any general government costs for the area substantially already funded.

⁵⁹ According to Town of Leesburg Public Facilities Permit – Connection and Availability Fees webpage.

⁶⁰ According to November 26, 2019 and May 26, 2020 Leesburg Town Council minutes.

Appendix A: About PFM

About PFM

The original practice of PFM was founded in 1975 with the mission of providing independent financial advice to state and local governments, and governmental agencies and authorities when bringing their debt to the market, investing funds, or undertaking capital planning and budgeting. Today, the affiliated companies of PFM include PFM Financial Advisors LLC and PFM Group Consulting LLC, and professionals from these two firms collaborated to produce this evaluation.

PFM Financial Advisors LLC (“PFMFA”) has one of the largest financial advisory teams in the public finance industry, maintaining an expansive national presence, including offices in Arlington and Richmond, Virginia. PFMFA is a registered municipal advisor with the Securities and Exchange Commission (“SEC”) and Municipal Securities Rulemaking Board (“MSRB”).

PFM Group Consulting LLC has advised more than half the states and many of the nation’s largest cities and counties on issues including the development of long-range financial plans, fiscal distress and recovery, economic and tax strategy, operational and organizational reviews, and workforce management and policies.

The following team members led the development of this evaluation.

Michael Nadol is Managing Director and President of PFM Group Consulting LLC, specializing in public sector financial sustainability and workforce issues. He joined the firm in 2000 and serves on the Executive Committee for the overall PFM Group of affiliated companies.

Nationally, Mike has played a lead role in long-range financial planning, turnaround consulting, and performance improvement programs for states, cities, counties, and municipal utilities. He has led and/or served as engagement manager for hundreds of projects nationally as PFM’s consulting practice has grown from fewer than five to over fifty professionals, and now provides primary partner-level support to the group’s economics and tax strategy practice and workforce consulting team. In his direct client work, Mike has also provided strategic, quantitative, and analytical support on workforce issues on behalf of many of the nation’s largest public employers. Prior to joining PFM, Mike served the City and County of Philadelphia in positions including Deputy Mayor, Director of Finance, and Deputy Commissioner for the Philadelphia Water Department.

Mike has served on the adjunct faculty of the University of Pennsylvania, Fels Institute of Government M.P.A program and as a two-term appointed advisor to the Government Finance Officers Association (GFOA) national committee on Governmental Budgeting and Fiscal Policy. Mike earned a Master of Public Administration degree from the University of Pennsylvania, and a Bachelor’s degree, Summa Cum Laude, from Yale University.

JoAnne Carter is Managing Director and President of PFM Financial Advisors LLC. She leads the firm’s Virginia practice, and the south region of PFM’s financial advisory practice. Since starting her career at PFM in 1992, JoAnne has assisted her clients with financial planning, financial policy development, and managing and executing municipal bond transactions, advising on more than \$17 billion of financings.

As the architect of PFM’s financial advisory business in Virginia, she has advised a mix of state and local clients over the course of her career, including Fairfax, Stafford, and Prince William counties, the Fairfax County Water Authority, the Virginia Department of Transportation, and the cities of Newport News and Norfolk. Currently, she has lead responsibility for advising Arlington County, Fairfax County, Loudoun County, the Virginia Port Authority, the Northern Virginia Transportation Authority and the Virginia Railway Express.

JoAnne is a prior member of the Board of Trustees for the Science Museum of Virginia which has museums in the City of Richmond and the City of Danville and a museum under construction in Loudoun County. In 2022, JoAnne was named a Trailblazing Woman in Public Finance by The Bond Buyer newspaper and the Northeast Women in Public Finance for her industry leadership and career accomplishments. In 2021, she received the lifetime achievement award from the Virginia Women in Public Finance. She earned her B.S. in Applied Mathematics from the University of Virginia and is licensed as a Municipal Advisor Representative (Series 50) and Municipal Advisor Principal (Series 54).

Vieen Leung is a Senior Managing Consultant at PFM Group Consulting LLC. Since joining PFM in 2013, Vieen has worked extensively to help local governments achieve their strategic and financial goals, with a focus on long-range financial plans.

Prior to joining PFM, Vieen was a Policy Analyst with the City of Baltimore (Maryland) Bureau of the Budget and Management Research, where she developed budget analyses for various City agencies, managed the City’s annual Citizen Survey, and supported comprehensive updates to the City’s Administrative Manual. She also developed and authored the first Management Research Reports published by the Bureau that examine cost-effectiveness of city agencies and provide recommendations to improve service delivery.

Vieen holds a Master of Arts in Public Policy, a Master of Music, and a Bachelor of Music, all from the Johns Hopkins University.



Appendix B: Leesburg and Loudoun County Real Property Tax Rates

| Tax Year | Leesburg | Loudoun County |
|----------|----------|----------------|
| 2010 | 0.1950 | 1.3000 |
| 2011 | 0.1950 | 1.2850 |
| 2012 | 0.1950 | 1.2350 |
| 2013 | 0.1920 | 1.2050 |
| 2014 | 0.1830 | 1.1550 |
| 2015 | 0.1830 | 1.1350 |
| 2016 | 0.1860 | 1.1450 |
| 2017 | 0.1840 | 1.1250 |
| 2018 | 0.1840 | 1.0850 |
| 2019 | 0.1840 | 1.0450 |
| 2020 | 0.1840 | 1.0350 |
| 2021 | 0.1840 | 0.9800 |
| 2022 | 0.1774 | 0.8900 |

Appendix C: Loudoun County Ten-Year Forecast

Loudoun County Ten-Year Local Tax Revenue Forecast

| | Real Property* | Personal Property* | BPOL | Local Consumer Utility | Local Sales & Use Tax | Total Local Taxes |
|-------------------------|----------------|--------------------|------------|------------------------|-----------------------|----------------------|
| FY 2024 Proposed Budget | 1,125,900,000 | 782,700,000 | 49,900,000 | 13,400,000 | 109,300,000 | 2,081,200,000 |
| FY 2025 Forecast | 1,261,100,000 | 799,700,000 | 52,100,000 | 13,600,000 | 116,400,000 | 2,242,900,000 |
| FY 2026 Forecast | 1,416,900,000 | 807,700,000 | 54,300,000 | 13,900,000 | 123,700,000 | 2,416,500,000 |
| FY 2027 Forecast | 1,537,000,000 | 863,400,000 | 56,700,000 | 14,100,000 | 131,700,000 | 2,602,900,000 |
| FY 2028 Forecast | 1,504,300,000 | 1,085,600,000 | 59,100,000 | 14,400,000 | 140,000,000 | 2,803,400,000 |
| FY 2029 Forecast | 1,579,500,000 | 1,211,500,000 | 62,100,000 | 15,000,000 | 148,400,000 | 3,016,500,000 |
| FY 2030 Forecast | 1,658,500,000 | 1,352,000,000 | 65,300,000 | 15,600,000 | 157,300,000 | 3,248,700,000 |
| FY 2031 Forecast | 1,741,400,000 | 1,508,800,000 | 68,600,000 | 16,200,000 | 166,700,000 | 3,501,700,000 |
| FY 2032 Forecast | 1,828,500,000 | 1,683,800,000 | 72,100,000 | 16,800,000 | 176,700,000 | 3,777,900,000 |
| FY 2033 Forecast | 1,919,900,000 | 1,879,100,000 | 75,800,000 | 17,500,000 | 187,300,000 | 4,079,600,000 |

*Actual composition between real and personal property taxes may differ from forecasts above as the County adjusts tax rates to maintain real property as the primary source of local tax revenue.

Loudoun County Ten-Year Local Tax Revenue Projected Growth

| | Total Real and Personal Property | BPOL | Local Consumer Utility | Local Sales & Use Tax | Total Local Taxes |
|------------------|----------------------------------|------|------------------------|-----------------------|-------------------|
| FY 2025 Forecast | 8.0% | 4.4% | 1.5% | 6.5% | 7.8% |
| FY 2026 Forecast | 7.9% | 4.2% | 2.2% | 6.3% | 7.7% |
| FY 2027 Forecast | 7.9% | 4.4% | 1.4% | 6.5% | 7.7% |
| FY 2028 Forecast | 7.9% | 4.2% | 2.1% | 6.3% | 7.7% |
| FY 2029 Forecast | 7.8% | 5.1% | 4.2% | 6.0% | 7.6% |
| FY 2030 Forecast | 7.9% | 5.2% | 4.0% | 6.0% | 7.7% |
| FY 2031 Forecast | 8.0% | 5.1% | 3.8% | 6.0% | 7.8% |
| FY 2032 Forecast | 8.1% | 5.1% | 3.7% | 6.0% | 7.9% |
| FY 2033 Forecast | 8.2% | 5.1% | 4.2% | 6.0% | 8.0% |



Appendix D: Town of Leesburg Credit Assessment and Analysis



Town of Leesburg Credit Assessment & Analysis

Prepared for Loudoun County, Virginia

Proposed Town of Leesburg Annexation Project

Materials developed in support of the report dated April 28, 2023, "Assessment of the Need for Expanded Tax Resources."

April 28, 2023

PFM Financial Advisors LLC

4350 N. Fairfax Drive
Suite 590
Arlington, VA 22203

pfm.com



Table of Contents

- I. Summary
- II. Moody's View of the Town's Credit
- III. Standard & Poor's View of the Town's Credit
- IV. Fitch's View of the Town's Credit
- V. Peer Credit Comparisons



Summary

- The Town of Leesburg maintains triple- A general obligation credit ratings from each of Moody's (since 2015), Standard & Poor's (since 2014) & FitchRatings (since 2015)
- This is the highest rating achievable from each agency, an indicator of superior financial and economic strength
- Each agency applies independent, though similar, methodologies when evaluating the Town & like credits
- Each agency uses both qualitative and quantitative metrics in their assessments, which reflect both a point-in-time analysis as well as expectations for the future trajectory of a credit
- Using five years of audited financial results (FY2018 to FY2022), the Town's credit metrics demonstrate stable and strong trends
 - Within the Moody's scorecard, the Town's credit metrics achieve the Aaa threshold in 5 out of 7 quantitative metrics in FY2022, often times exceeding the minimum Aaa threshold by significant margins
 - Over these five fiscal years, Moody's weighted indicated score (in which a lower score correlates to stronger credit) is estimated in a range of 1.7 to 2.3, aligned with strong metrics across multiple financial categories
 - Within the S&P scorecard, the Town achieves the Aaa threshold in 7 out of 9 quantitative metrics in FY2022, exceeding the minimum Aaa threshold by significant margins in terms of Budgetary Flexibility and Liquidity measures used by S&P
 - Over these five fiscal years, S&P's weighted indicated score (in which a lower score correlates to stronger credit) is estimated in a range of 1.10 to 1.55, in which 1.0 is the best achievable score

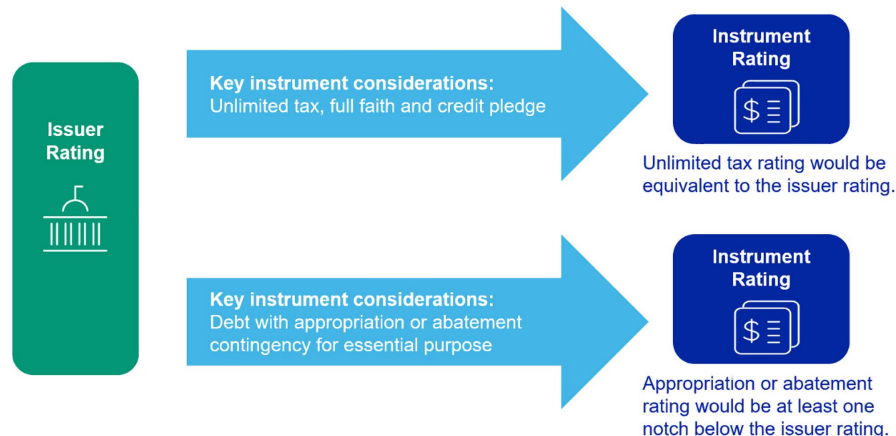


Moody's View of the Town's Credit



Moody's Criteria for US Cities & Counties

- In November 2022, Moody's implemented a new criteria for rating US Cities & Counties
- The criteria continued the use of a scorecard (introduced in 2014) but made significant changes in approach, more aligned with how they rate other sectors such as K-12 schools and higher education
 - Shifted focus to the issuer's (city or county) fundamental credit quality, first, before the legal pledge (i.e., GO or subject to appropriation)
 - Instead of considering just operating funds (General Fund, School Board Fund, & Debt Service Fund), Moody's considers all governmental & business-type funds in all ratio calculations, but excludes component units
 - Reduced number of metrics in scorecard & streamlined notching factors
- Exclusion of component units' liabilities is of major significance in Virginia given the financial framework for K-12 public schools & requires continued confirmation with Moody's
- After assigning an issuer rating, Moody's assigns ratings to specific credits (G.O., subject to appropriation, etc.) based primarily on its security
- Moody's has indicated that a locality's instrument rating will match its issuer rating for an unlimited general obligation credit





Leesburg's Key Ratings Factors – Moody's

Positives

Economy & Demographics

- Favorable location, improving local economy, healthy wealth and income levels, and stable employment base benefitting from local and federal governmental institutions
- Substantial commercial development underway
- Rapid population growth, increasing 15% over the last five years (2014-2019)

Financial Condition

- Balanced general fund budget results expected at time of writing, due to cost-savings measures to offset an estimated \$5.5 million in revenue declines because of the pandemic
- Strong tax base growth trend
- Fund balance aligns with peer median
- Liquidity expected to remain strong

Debt & Pension

- Expected debt burden will remain at manageable levels and in-line with policies
- Town remains in compliance with debt guidelines (2.5% of total full value, 15% of general fund disbursements)
- Pensions are not a source of credit stress for the Town
- Above Average Payout rate

Management

- History of conservative budgeting and prudent financial practices
- Proactive long-range capital planning

Negatives

Economy & Demographics

- None

Financial Condition

- None

Debt & Pension

- None

Management

- None



Leesburg's Key Ratings Factors – Moody's (continued)

Positives

Environmental, Social, Governance (ESG)

- Low exposure to environmental risks across all categories
- History of disaster relief programs in Commonwealth
- Strong and diverse labor market
- The town maintains a policy to keep unassigned general fund balance at 20% of expenditures, which it has surpassed over the past five years.

Linkage to US Sovereign Rating

- None

Negatives

Environmental, Social, Governance (ESG)

- None

Linkage to US Sovereign Rating

- Moody's methodology generally does not permit a sub-sovereign rating to exceed the credit rating of the sovereign (US) rating
- Any downgrade to the US sovereign rating could result in review for potential downgrade any Aaa sub-sovereign ratings

Factors that could lead to a Downgrade:

- Deterioration in the town's tax base and socioeconomic indicators
- Deterioration of reserves and liquidity
- Weakened financial position in general fund or enterprise funds
- Material increase in debt burden



Moody's Estimated Scorecard for Leesburg FY2022 & FY2021

| Indicated Rating | Weighted Score |
|------------------|--------------------|
| Aaa | 0.0 - 1.50 |
| Aa1 | 1.51 - 2.50 |
| Aa2 | 2.51 - 3.50 |
| Aa3 | 3.51 - 4.50 |
| A1 | 4.51 - 5.50 |

| Moody's US Counties & Cities Methodology | 2021 Input | 2022 Input | 2021 Subfactor Category | 2022 Subfactor Category | Weight | 2021 Weighted Score | 2022 Weighted Score |
|--|------------|------------|-------------------------|-------------------------|-------------|---------------------|---------------------|
| Factor 1: Economy | | | | | 30% | | |
| Median Household Income as Percentage of US Median | 160.5% | 151.1% | Aaa | Aaa | 10% | 0.099 | 0.111 |
| Full Value per Capita | \$176,246 | \$196,658 | Aa | Aaa | 10% | 0.164 | 0.142 |
| Economic Growth | -0.5% | -0.5% | Aa | Aa | 10% | 0.090 | 0.090 |
| Factor 2: Financial Performance | | | | | 30% | | |
| Available Fund Balance Ratio | 90.5% | 66.0% | Aaa | Aaa | 20% | 0.100 | 0.100 |
| Liquidity Ratio | 116.9% | 78.2% | Aaa | Aaa | 10% | 0.050 | 0.050 |
| Factor 3: Institutional Framework | | | | | 10% | | |
| Institutional Framework | Aa | Aa | Aa | Aa | 10% | 0.300 | 0.300 |
| Factor 4: Leverage | | | | | 30% | | |
| Long-term Liabilities Ratio | 250.7% | 150.5% | A | Aa | 20% | 1.103 | 0.603 |
| Fixed Cost Ratio | 11.5% | 7.4% | Aa | Aaa | 10% | 0.241 | 0.124 |
| Notching Factors | | | | | | 0.0 | 0.0 |
| Indicated Rating | | | | | 100% | 2.371 | 1.745 |
| | | | | | | Aa1 | Aa1 |

Source: PFM estimates based on Town of Leesburg ACFRs (FY2021 & FY2022), data sourced from U.S. Census Bureau, American Community Survey and BEA (most recent year available), and data from Moody's Municipal Financial Ratio Analysis (MFRA) subscription service.



Moody's Scorecard for Leesburg FY2022

| Moody's Local Government Rating Scorecard | | | | | | | | |
|--|-----------|-------------|------------------------|-----------------------|----------------------|----------------------|-------------------------|----------------|
| | Leesburg | Aaa | Aa | A | Baa | Ba | Weight | Implied Rating |
| Economy | | | | | | | | |
| Resident Income (MHI Adjusted for RPP / US MHI) | 151.1% | ≥ 120% | 100% to 120% | 80% to 100% | 65% to 80% | 50% to 65% | 10% | Aaa |
| Full Value per Capita (Full Valuation of the Tax Base / Population) | \$196,658 | ≥ \$180,000 | \$100,000 to \$180,000 | \$60,000 to \$100,000 | \$40,000 to \$60,000 | \$25,000 to \$40,000 | 10% | Aaa |
| Economic Growth (Difference Between Five-Year CAGR in Real GDP and Five-Year CAGR in Real US GDP) | -0.5% | ≥ 0.0% | -1.0% to 0.0% | -2.5% to -1.0% | -4.5% to -2.5% | -7.0% to -4.5% | 10% | Aa |
| Financial Performance | | | | | | | | |
| Available Fund Balance Ratio (Available Fund Balance + Net Current Assets / Revenue) | 66.0% | ≥ 35.0% | 25.0% to 35.0% | 15.0% to 25.0% | 5.0% to 15.0% | 0.0% to 5.0% | 20% | Aaa |
| Liquidity Ratio (Unrestricted Cash / Revenue) | 78.2% | ≥ 40.0% | 30.0% to 40.0% | 20.0% to 30.0% | 12.5.0% to 25.0% | 5.0% to 12.5% | 10% | Aaa |
| Institutional Framework Score | | | | | | | | |
| Institutional Framework | Aa | Very Strong | Strong | Moderate | Limited | Poor | 10% | Aa |
| Leverage | | | | | | | | |
| Long-term Liabilities Ratio ((Debt + ANPL + Adjusted Net OPEB + Other Long-Term Liabilities) / Operating Revenue) | 150.5% | ≤ 100% | 100% to 200% | 200% to 350% | 350% to 500% | 500% to 700% | 20% | Aa |
| Fixed-Costs Ratio (Adjusted Fixed Costs / Revenue) | 7.4% | ≤ 10% | 10% to 15% | 15% to 20% | 20% to 25% | 25% to 35% | 10% | Aaa |
| | | | | | | | Indicated Rating | Aa1 |

Source: PFM estimates based on Town of Leesburg ACFRs (FY2022), data sourced from U.S. Census Bureau, American Community Survey and BEA (most recent year available), and data from Moody's Municipal Financial Ratio Analysis (MFRA) subscription service.



Moody's Scorecard for Leesburg FY2021

| Moody's Local Government Rating Scorecard | | | | | | | | |
|--|-----------|-------------|------------------------|-----------------------|----------------------|----------------------|-------------------------|----------------|
| | Leesburg | Aaa | Aa | A | Baa | Ba | Weight | Implied Rating |
| Economy | | | | | | | | |
| Resident Income (MHI Adjusted for RPP / US MHI) | 160.5% | ≥ 120% | 100% to 120% | 80% to 100% | 65% to 80% | 50% to 65% | 10% | Aaa |
| Full Value per Capita (Full Valuation of the Tax Base / Population) | \$176,246 | ≥ \$180,000 | \$100,000 to \$180,000 | \$60,000 to \$100,000 | \$40,000 to \$60,000 | \$25,000 to \$40,000 | 10% | Aa |
| Economic Growth (Difference Between Five-Year CAGR in Real GDP and Five-Year CAGR in Real US GDP) | -0.5% | ≥ 0.0% | -1.0% to 0.0% | -2.5% to -1.0% | -4.5% to -2.5% | -7.0% to -4.5% | 10% | Aa |
| Financial Performance | | | | | | | | |
| Available Fund Balance Ratio (Available Fund Balance + Net Current Assets / Revenue) | 90.5% | ≥ 35.0% | 25.0% to 35.0% | 15.0% to 25.0% | 5.0% to 15.0% | 0.0% to 5.0% | 20% | Aaa |
| Liquidity Ratio (Unrestricted Cash / Revenue) | 116.9% | ≥ 40.0% | 30.0% to 40.0% | 20.0% to 30.0% | 12.5.0% to 25.0% | 5.0% to 12.5% | 10% | Aaa |
| Institutional Framework Score | | | | | | | | |
| Institutional Framework | Aa | Very Strong | Strong | Moderate | Limited | Poor | 10% | Aa |
| Leverage | | | | | | | | |
| Long-term Liabilities Ratio ((Debt + ANPL + Adjusted Net OPEB + Other Long-Term Liabilities) / Operating Revenue) | 250.7% | ≤ 100% | 100% to 200% | 200% to 350% | 350% to 500% | 500% to 700% | 20% | A |
| Fixed-Costs Ratio (Adjusted Fixed Costs / Revenue) | 11.5% | ≤ 10% | 10% to 15% | 15% to 20% | 20% to 25% | 25% to 35% | 10% | Aa |
| | | | | | | | Indicated Rating | Aa1 |

Source: PFM estimates based on Town of Leesburg ACFRs (FY2021), data sourced from U.S. Census Bureau, American Community Survey and BEA (most recent year available), and data from Moody's Municipal Financial Ratio Analysis (MFRA) subscription service.



Moody's Score Card Metrics: FY2018 to FY2022

| Moody's Metrics | FY2022 | FY2021 | FY2020 | FY2019 | FY2018 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|
| MHI as % of US | 151.1% | 160.5% | 175.3% | 166.5% | 163.3% |
| AV per Capita | \$196,658 | \$176,246 | \$157,258 | \$151,152 | \$146,723 |
| Economic Growth | -0.55% | -0.55% | -0.04% | -0.38% | -0.46% |
| Available Fund Balance Ratio | 66.0% | 90.5% | 79.8% | 71.0% | 61.9% |
| Liquidity Ratio | 78.2% | 116.9% | 94.2% | 78.2% | 71.9% |
| Long Term Liabilities Ratio | 150.5% | 250.7% | 224.5% | 214.1% | 200.1% |
| Fixed Costs Ratio | 7.4% | 11.5% | 11.0% | 12.9% | 12.9% |
| Moody's Indicated Score | 1.74 | 2.37 | 2.14 | 2.34 | 2.33 |

| Moody's | |
|------------------|--------------------|
| Indicated Rating | Weighted Score |
| Aaa | 0.0 - 1.50 |
| Aa1 | 1.51 – 2.50 |
| Aa2 | 2.51 – 3.50 |
| Aa3 | 3.51 – 4.50 |
| A1 | 4.51 – 5.50 |

Source: PFM estimates based on Town of Leesburg ACFRs (FY2018-FY2022), data sourced from U.S. Census Bureau, American Community Survey and BEA (most recent year available), and data from Moody's Municipal Financial Ratio Analysis (MFRA) subscription service. Green shading denotes Leesburg's scored metric meets Moody's Aaa threshold.



Moody's Other Considerations

Moody's scorecard also considers factors which may move the indicated score up or down. The Town has in the past received a positive notch up for strength in its local economy due to institutional presence and for its "unusually strong budgetary management & planning."

- Fund-specific financial considerations
- Competitive enterprise risks
- Credit risk associated with stressed component units or other related entities
- Likelihood of receiving extraordinary or ongoing support
- Strengths or weaknesses related to economic concentration
- Unusual strengths or weaknesses related to budgets or liquidity
- Management strategy
- Financial controls
- Related local governments
- Revenue delinquencies
- Unusual risk or benefit posed by long-term liabilities
- Expected decline or improvement in instrument-level credit quality
- Considerations specific to U.S. Native American Tribal Nations
- History or likelihood of impaired liquidity or market access or missed debt service payments



Detailed Observations: Moody's

- Indicated rating (Aa1) in the scorecard does not change between FY21 and FY22, but score itself improves from 2.371 to 1.745 (lower score is better) which translates to higher/stronger credit quality, an upward trajectory
- A scorecard indicated rating of “Aa1” is common for triple-A rated jurisdictions rated by Moody's in Northern Virginia
- The application of positive notching factors & the decision by credit committee results in the Aaa rating for the Town's G.O. ratings
- Within the Moody's scorecard, the Town achieves the Aaa threshold in 5 out of 7 quantitative metrics in FY2022, often times by strong margins
- Available fund balance ratio declined from 2021 to 2022 reflecting what looks like 1-time grant money coming in from NVTa for completion of East Market/Rt.7 Battlefield Interchange
 - While the ratio moved from 90.5% (FY21) to 66% (FY22), both are significantly higher than the minimum Aaa threshold in the Moody's scorecard for this metric (35%)
 - Available fund balance considers unassigned, assigned or committed balances across all governmental funds (not just the General Fund)
 - Available fund balance also captures net current assets (unrestricted current assets less current liabilities) in business-type activities and internal service funds



S&P's View of the Town's Credit



S&P's Local Government Rating Methodology

- ◆ S&P implemented a new scorecard approach for local governments in September 2013
- ◆ S&P's rating methodology goals
 - Provide transparency and comparability to help market participants better understand the approach to assigning local government ratings
 - Enhance the forward-looking nature of these ratings
 - Enable comparisons between U.S. local government ratings, local government ratings in other countries, and all other ratings
- ◆ An initial indicative rating results from a weighted average of the seven factors
- ◆ A series of overriding qualitative (“notching”) factors can result in a final rating that is higher or lower than the indicative rating

| Standard & Poor's | |
|-------------------|------------------------|
| Indicative Rating | Weighted Score Mapping |
| AAA | 1.00 – 1.64 |
| AA+ | 1.65 – 1.94 |
| AA | 1.95 – 2.34 |
| AA- | 2.35 – 2.84 |
| A+ | 2.85 – 3.24 |
| A | 3.25 – 3.64 |
| A- | 3.65 – 3.94 |
| BBB+ | 3.95 – 4.24 |
| BBB | 4.25 – 4.54 |
| BBB- | 4.55 – 4.74 |
| BB | 4.75 – 4.94 |
| B | 4.95 – 5.00 |



Leesburg's Key Ratings Factors – S&P

Positives

Economy & Demographics

- Very strong economy and local stabilizing institutional influence
- Very strong local economy, as part of Washington-Arlington-Alexandria metropolitan statistical area
- Strong tax base and personal income growth
- Diverse employment base
- Low unemployment rate

Financial Condition

- Adequate budgetary performance, with an operating surplus in the general fund but a slight operating deficit at the total governmental fund level in fiscal 2019
- Over the past five fiscal years, the town has produced consistent annual operating surpluses
- Very Strong budgetary flexibility
- Very strong liquidity

Debt

- Expect debt will remain manageable
- 71.1% of the direct debt is scheduled to be repaid within 10 years
- Strong debt and contingent liability

Management

- Very strong management and financial policies
- Proven track record of effective and conservative budget management

Negatives

Economy & Demographics

- None

Financial Condition

- None

Debt

- None

Management

- None

What Could Lower the Rating: - Fund balance falling below levels considered commensurate with the current rating



S&P Scorecard Comparison: FY2021 vs. FY2022

| Factors & Subfactors | Weight | FY21 Est. Score | FY21 Est. Rating Category | FY22 Est. Score ¹ | FY22 Est. Rating Category |
|--|-------------|-----------------|---------------------------|------------------------------|---------------------------|
| Factor 1: Institutional Framework Score | 10% | 1 | Very Strong | 1 | Very Strong |
| Framework Score | | Aaa | | Aaa | |
| Factor 2: Economy | 30% | 1.5 | Very Strong | 1 | Very Strong |
| Market Value per Capita | | \$189,871 | | \$214,486 | |
| Per Capital Effective Buying Income % | | 185.21% | | 162.41% | |
| Factor 3: Management | 20% | 1 | Very Strong | 1 | Very Strong |
| Management Score | | | | | |
| Factor 4: Budgetary Flexibility | 10% | 1 | Very Strong | 1 | Very Strong |
| Fund Balance as a % of Expenditures | | 60% | | 70% | |
| Factor 5: Budgetary Performance | 10% | 1 | Very Strong | 2 | Strong |
| Total Governmental Funds Net Result | | 6.32% | | -4.8% | |
| General Fund Operating Balance to Operating Expenditures | | 24.2% | | 16.1% | |
| Factor 6: Liquidity | 10% | 1 | Very Strong | 1 | Very Strong |
| Total Cash as a % of Total Governmental Funds Expenditures | | 173.1% | | 95.3% | |
| Total Cash as a % of Total Governmental Funds Debt Service | | 24.3x | | 14.2x | |
| Factor 7: Debt and Liability | 10% | 2 | Strong | 1 | Strong |
| Net Direct Debt as a % of Total Governmental Funds Revenue | | 72.3% | | 44.3% | |
| Debt Service as a % of Expenditures | | 7.1% | | 6.7% | |
| Rating | 100% | 1.25 | AAA | 1.10 | AAA |

Source: PFM estimates based on Town of Leesburg ACFRs (FY2021 & FY2022).



| Indicated Rating | Weighted Score |
|------------------|----------------|
| AAA | 1.00 – 1.64 |
| AA+ | 1.65 – 1.94 |
| AA | 1.95 – 2.34 |
| AA- | 2.35 – 2.84 |
| A+ | 2.85 – 3.24 |

Estimated S&P Scorecard for Leesburg FY2022

| | Best Score | | | | | Worst Score | | | | | Leesburg FY22 Measure | FY22 |
|--|--|--|---|--|--|-------------|--|--|--|--|-----------------------|------|
| Institutional Framework (10%) | Very Strong | Strong | Adequate | Weak | Very Weak | Very Strong | | | | | | 1 |
| Economy (30%) | | | | | | | | | | | | |
| Market Value Per Capita | Market Value Per Capita >\$195,000 | Market Value Per Capita \$195,000 to \$100,000 | Market Value Per Capita \$100,000 to \$80,000 | Market Value Per Capita \$80,000 to \$55,000 | Market Value Per Capita <\$55,000 | \$214,486 | | | | | | 1 |
| Per Capita Effective Buying Income as % of U.S. | Projected per capita EBI as % of US >150 | Projected per capita EBI as % of US 110 to 150 | Projected per capita EBI as % of US 85 to 110 | Projected per capita EBI as % of US 70 to 85 | Projected per capita EBI as % of US <70 | 162.41% | | | | | | |
| Management (20%) | | | | | | | | | | | | |
| Financial Management Assessment Score | Strong | Good | Standard | Vulnerable | Various incidents such as a going concern opinion, consideration of bankruptcy, etc. | Strong | | | | | | 1 |
| Budgetary Flexibility (10%) | | | | | | | | | | | | |
| Fund Balance as a % of Expenditures | >15 | 8 to 15 | 4 to 8 | 1 to 4 | <1 | 70.00% | | | | | | 1 |
| Budgetary Performance (10%) | | | | | | | | | | | | |
| Total Governmental Funds Net Result | >-1 | -1 to -5 | -5 to -10 | -10 to -15 | <-15 | -4.79% | | | | | | |
| General Fund Operating Balance to Operating Expenditures | Limited (>5) | Balanced (-1 to 5) | Pressured (<-1) | - | - | 16.14% | | | | | | 2 |
| Liquidity (10%) | | | | | | | | | | | | |
| Total Cash as a % of Total Governmental Funds Expenditures | >15 | 8 to 15 | 4 to 8 | 1 to 4 | <1 | 95.32% | | | | | | 1 |
| Total Cash as a % of Total Governmental Funds Debt Service | >120 | 120 to 100 | 100 to 80 | 80 to 40 | <40 | 142.96% | | | | | | |
| Debt & Liability (10%) | | | | | | | | | | | | |
| Net Direct Debt as a % of Total Governmental Funds Revenue | <30 | 30 to 60 | 60 to 120 | 120 to 180 | >180 | 44.29% | | | | | | 1 |
| Debt Service as a % of Expenditures | <8 | 8 to 15 | 15 to 25 | 25 to 35 | >35 | 6.67% | | | | | | |

1.10



| Indicated Rating | Weighted Score |
|------------------|----------------|
| AAA | 1.00 – 1.64 |
| AA+ | 1.65 – 1.94 |
| AA | 1.95 – 2.34 |
| AA- | 2.35 – 2.84 |
| A+ | 2.85 – 3.24 |

Estimated S&P Scorecard for Leesburg FY2021

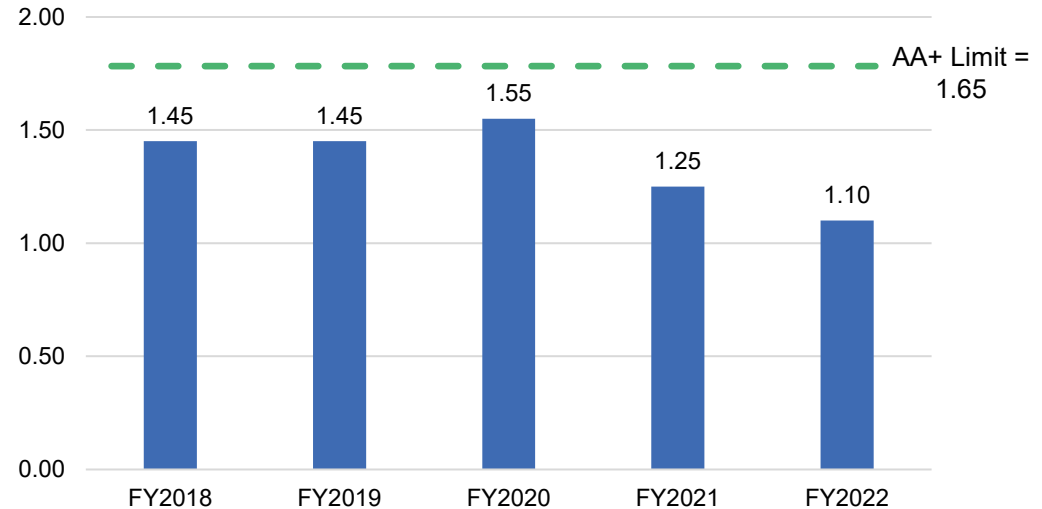
| | Best Score | | | | | Worst Score | | | | | Leesburg FY21 Measure | FY21 |
|--|--|--|---|--|--|-------------|--|--|--|--|-----------------------|------|
| Institutional Framework (10%) | Very Strong | Strong | Adequate | Weak | Very Weak | Very Strong | | | | | | 1 |
| Economy (30%) | | | | | | | | | | | | |
| Market Value Per Capita | Market Value Per Capita >\$195,000 | Market Value Per Capita \$195,000 to \$100,000 | Market Value Per Capita \$100,000 to \$80,000 | Market Value Per Capita \$80,000 to \$55,000 | Market Value Per Capita <\$55,000 | \$189,871 | | | | | | 1.5 |
| Per Capita Effective Buying Income as % of U.S. | Projected per capita EBI as % of US >150 | Projected per capita EBI as % of US 110 to 150 | Projected per capita EBI as % of US 85 to 110 | Projected per capita EBI as % of US 70 to 85 | Projected per capita EBI as % of US <70 | 185.21% | | | | | | |
| Management (20%) | | | | | | | | | | | | |
| Financial Management Assessment Score | Strong | Good | Standard | Vulnerable | Various incidents such as a going concern opinion, consideration of bankruptcy, etc. | Strong | | | | | | 1 |
| Budgetary Flexibility (10%) | | | | | | | | | | | | |
| Fund Balance as a % of Expenditures | >15 | 8 to 15 | 4 to 8 | 1 to 4 | <1 | 60.01% | | | | | | 1 |
| Budgetary Performance (10%) | | | | | | | | | | | | |
| Total Governmental Funds Net Result | >-1 | -1 to -5 | -5 to -10 | -10 to -15 | <-15 | 6.32% | | | | | | 1 |
| General Fund Operating Balance to Operating Expenditures | Limited (>5) | Balanced (-1 to 5) | Pressured (<-1) | - | - | 25.25% | | | | | | |
| Liquidity (10%) | | | | | | | | | | | | |
| Total Cash as a % of Total Governmental Funds Expenditures | >15 | 8 to 15 | 4 to 8 | 1 to 4 | <1 | 173.13% | | | | | | 1 |
| Total Cash as a % of Total Governmental Funds Debt Service | >120 | 120 to 100 | 100 to 80 | 80 to 40 | <40 | 243.83% | | | | | | |
| Debt & Liability (10%) | | | | | | | | | | | | |
| Net Direct Debt as a % of Total Governmental Funds Revenue | <30 | 30 to 60 | 60 to 120 | 120 to 180 | >180 | 72.28% | | | | | | 2 |
| Debt Service as a % of Expenditures | <8 | 8 to 15 | 15 to 25 | 25 to 35 | >35 | 7.10% | | | | | | |
| | | | | | | | | | | | 1.25 | |



Detailed Observations: S&P

- Scorecard results in AAA rating without any need for notching
- From FY21 to FY22, score changed from 1.25 to 1.10 which indicates a strengthening of credit quality, the continuation of a positive trend
- The best possible score to achieve in the S&P scorecard is 1.0, also the most favorable scorecard outcome for a AAA rated credit
- Within the S&P scorecard, the Town achieves the Aaa threshold in 7 out of 9 quantitative metrics in FY2022, exceeding the minimum Aaa threshold by significant margins in terms of Budgetary Flexibility and Liquidity measures used by S&P
- Over the last five fiscal years, S&P's weighted indicated score (in which a lower score correlates to stronger credit) is estimated in a range of 1.10 to 1.55, in which 1.0 is the best achievable score

**Historical Leesburg S&P Scores
(FY2018 - FY2022)**



| S&P Indicated Rating | Weighted Score |
|----------------------|--------------------|
| AAA | 1.00 – 1.64 |
| AA+ | 1.65 – 1.94 |
| AA | 1.95 – 2.34 |
| AA- | 2.35 – 2.84 |
| A+ | 2.85 – 3.24 |

Source: PFM estimates based on Town of Leesburg ACFRs (FY2021 & FY2022).



Fitch's View of the Town's Credit



Fitch's U.S. Tax-Supported Methodology & Assessment

- Unlike Moody's and S&P, Fitch's methodology is more qualitative with fewer specific metrics
- Using data from the Town's FY2021 & FY2022 ACFRs, PFM has calculated quantitative metrics imbedded in the Fitch criteria
- On April 18, 2016, Fitch implemented its current rating methodology for U.S. tax-supported debt
 - No scorecard or category weightings, unlike criteria used by Moody's and S&P
 - Economy is foundational element for all aspects of credit vs. a single factor
 - Category assessments (aaa, aa, a, bbb, bb) provided for four "Key Rating Factors"
- On May 31, 2017, Fitch implemented changes to its rating methodology with the only material change related to the analysis of defined benefit pension liabilities
 - Lowered the pension discount rate adjustment from 7% to 6%
 - Calculation of the adjustment was refined based on information available pursuant to GASB 67 and 68
 - In Virginia, added schools' VRS pension liability to the local government calculation



Leesburg's Key Ratings Factors – Fitch

| Positives | Negatives |
|--|---|
| Economy & Demographics <ul style="list-style-type: none">Economic and employment trends were favorable entering the downturnStrong population growth and continuing economic development | Economy & Demographics <ul style="list-style-type: none">None |
| Financial Condition <ul style="list-style-type: none">Moderate carrying costs | Financial Condition <ul style="list-style-type: none">Moderate fixed cost burden |
| Debt and Pension <ul style="list-style-type: none">Combined debt and pension liabilities are expected to remain low, with modest level of future debt plans | Debt and Pension <ul style="list-style-type: none">None |
| Management <ul style="list-style-type: none">Strong financial management practices and inherent budget flexibility | Management <ul style="list-style-type: none">None |

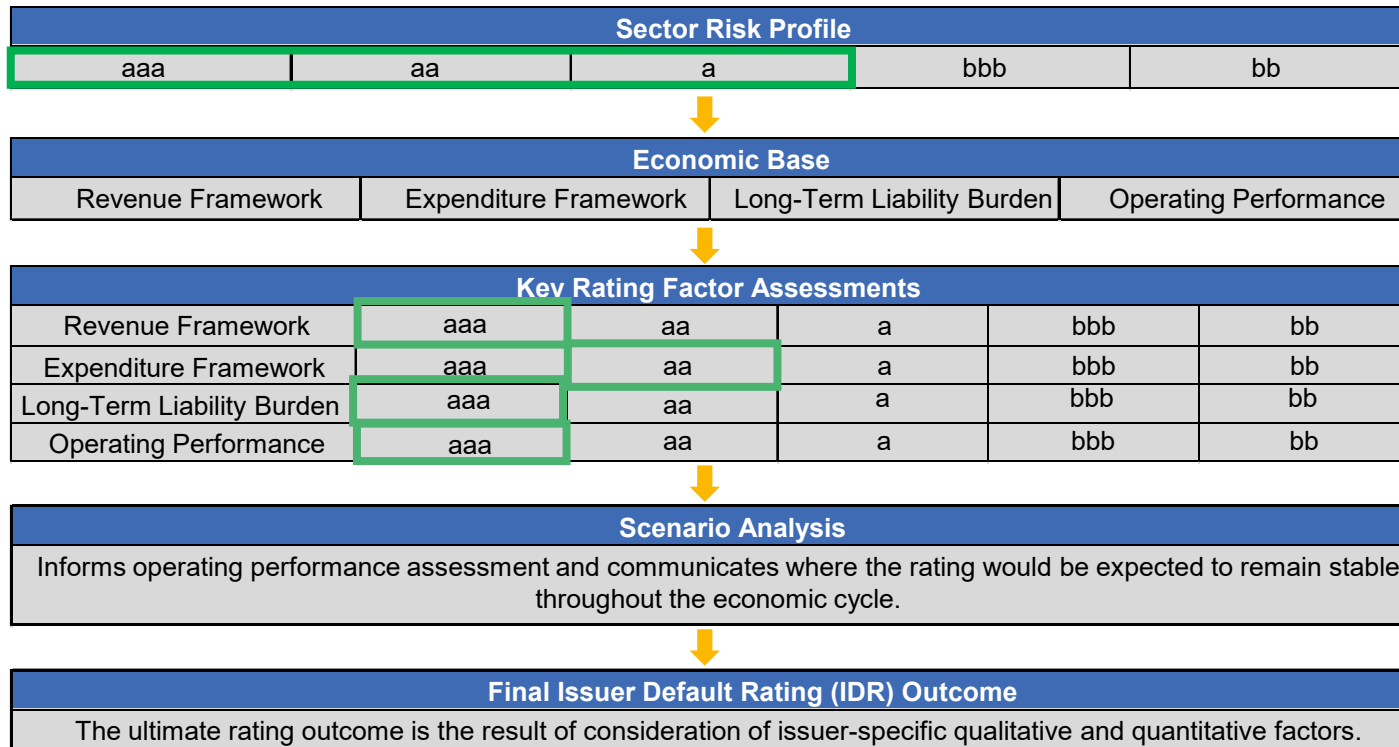
Factors that could lead to negative rating action/downgrade:

- A deeper or more durable decline in general fund revenue than expected, slowing revenue growth to below inflation in the long run
- A rise in carrying costs relative to governmental expenditures that decreases expenditure flexibility
- A sustained increase in long-term liabilities above 10% of personal income



Fitch Framework for Leesburg (as of November, 2020)

The Town's factor assessments were last determined & published by Fitch in November 2020 when the Town sold its GO Refunding Bonds, Series 2020.





Economic Trend Analysis

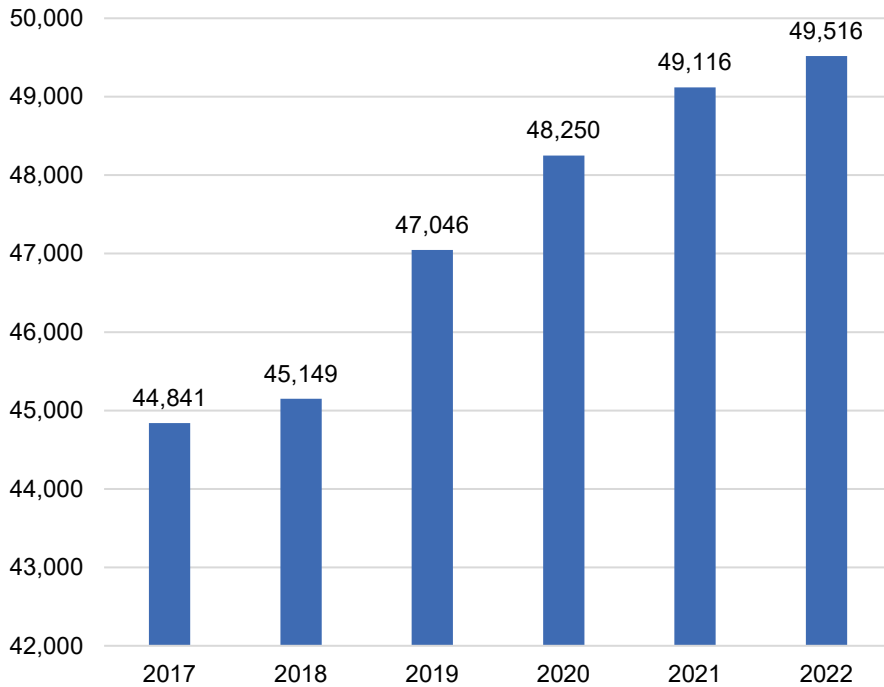
- Fitch’s analysis begins with consideration of the performance of, trends in, and prospects for the economic base
- Fitch considers economic breadth and depth, composition/concentration, volatility, long-term trends, and growth prospects to establish the context in which other rating factors are assessed
- Economic data trends for the Town are favorable

| Key Considerations for Economic Analysis | |
|--|--------------------------------------|
| Key Considerations for Local Governments | 5-Year Leesburg Trends (FY18 – FY22) |
| Growth trend in population | Increasing |
| Growth trend in personal income | Increasing |
| Unemployment rate | Decreasing |
| Median household income | Increasing |
| Market value per capita | Increasing |

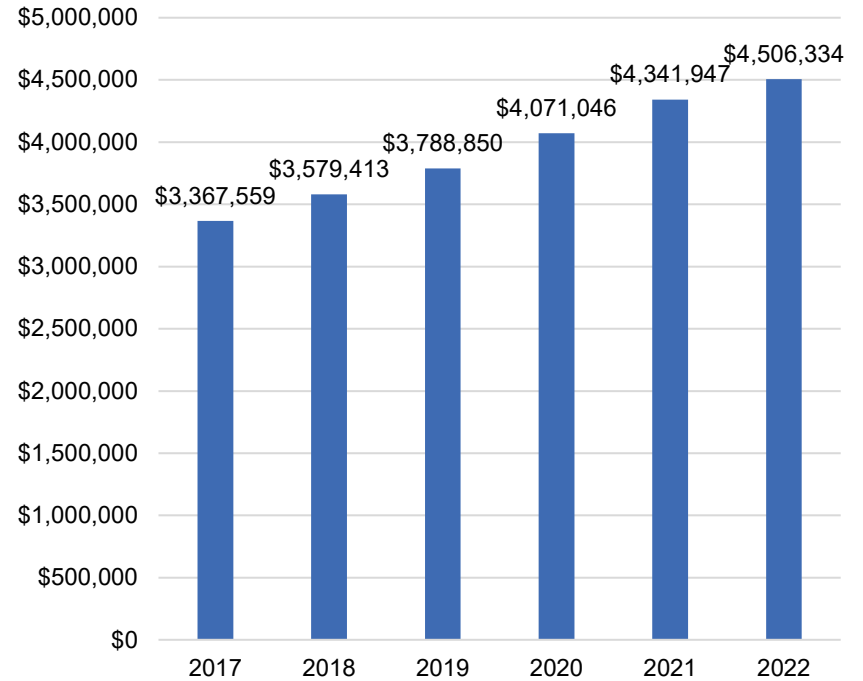


5-Year Economic Trend Data: Population and Personal Income

Population



Personal Income (\$000s)

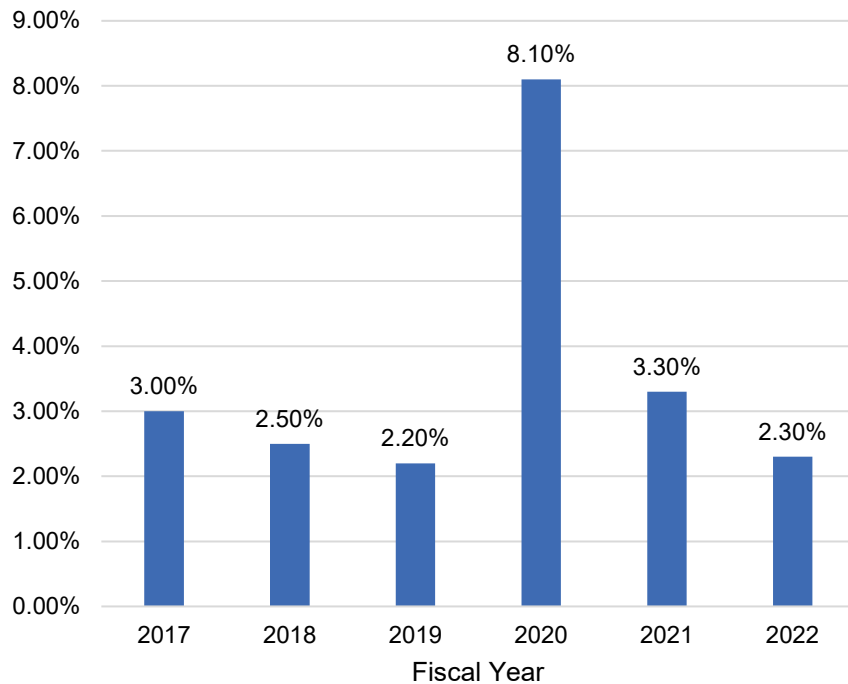


Source: Town of Leesburg's ACFRs (FY2017 to FY2022).

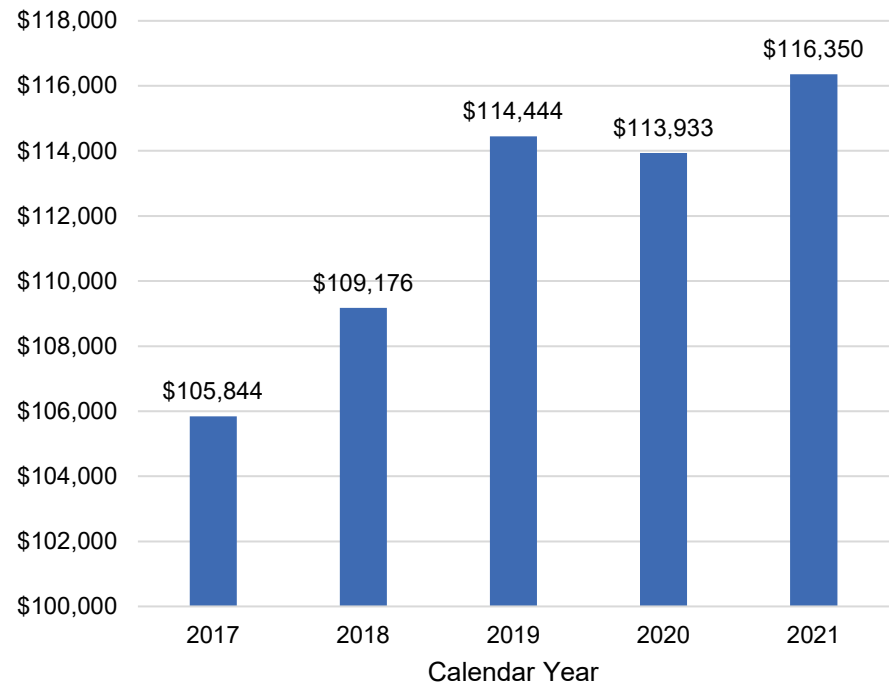


5-Year Economic Trend Data: Unemployment and Median Household Income

Unemployment Rate



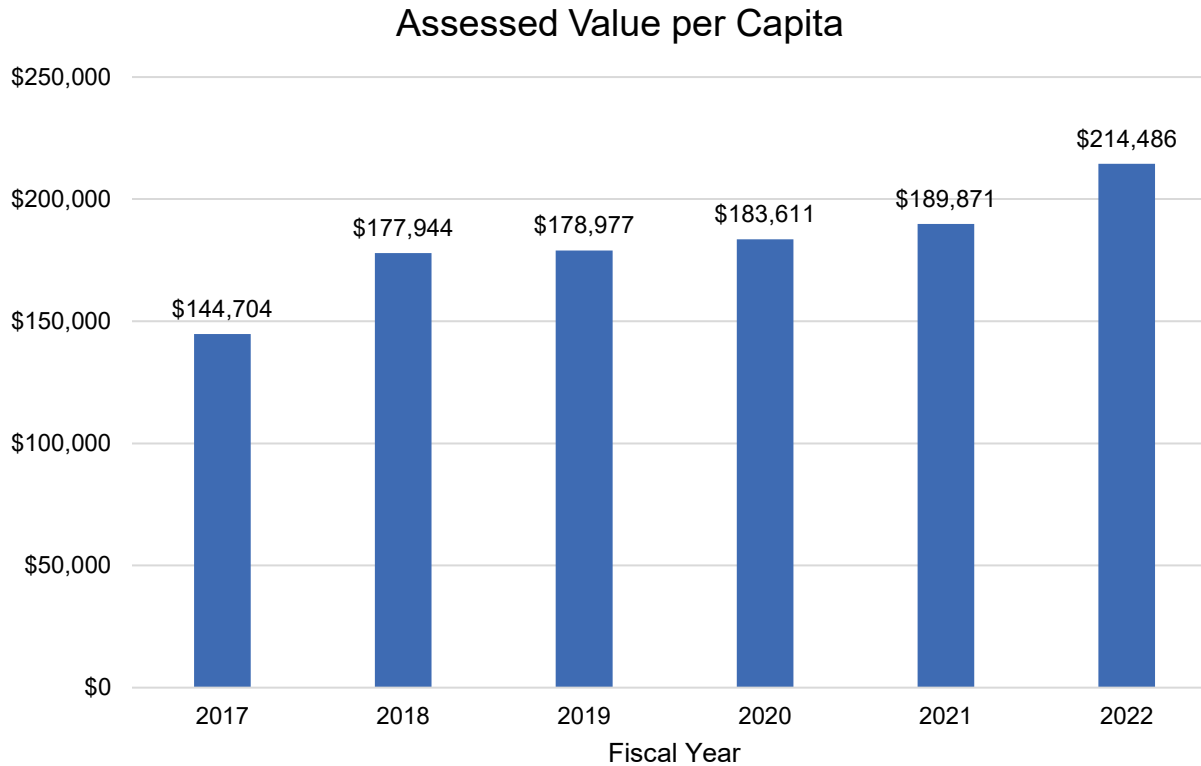
Median Household Income



Sources: Town of Leesburg's ACFRs (FY2017 to FY2022); MHI from American Census Bureau (most recent data available is 2021).



5-Year Economic Trend Data: Assessed Value per Capita



Sources: Town of Leesburg's ACFRs (FY2017 to FY2022). PFM estimated calculations based on data available in ACFRs, as typically calculated by the credit rating agencies.



Fitch Revenue Framework

| Town's General Fund Revenue Growth Rates | | U.S. GDP Growth Rate (CAGR) | U.S. Inflation Growth Rate (CAGR) | Fitch's Revenue Assessment (as of November, 2020) |
|---|------|-----------------------------|-----------------------------------|---|
| 10 Year CAGR (FY2012 – FY2022) (Includes effect of any tax rate changes) | 4.0% | 4.9% | 2.6% | aaa |

- Fitch assesses growth prospects for revenue by considering “...actual historical revenue performance in relation to national GDP and versus inflation...”
- The 10 year CAGR for Town General Fund revenue has exceeded inflation, but lagged US GDP growth over the period from FY2012 to FY2022



Fitch Expenditure Framework: Carrying Cost Metric (FY2022 & FY2021)

- One component of Fitch’s Expenditure framework is the measure of fixed obligations in a government’s spending
- Carrying cost is the total of three types of fixed costs: debt service, annual pension contribution and annual OPEB contribution divided by total governmental expenditures
- Fitch considers a carrying cost metric below 10% to be consistent with a “aaa” assessment and below 20% to be consistent with a “aa” assessment
- Over the past 5 fiscal years, the Town’s carrying cost metric has been stable with a slight decline, a sign of good financial flexibility

| | Carrying Cost | Debt Service | Pension ADEC | OPEB Actual Contributions | Total costs | Governmental Expenditures |
|---------------|---------------|--------------|--------------|---------------------------|--------------|---------------------------|
| FY2022 | 9.59% | \$8,822,377 | \$3,091,539 | \$774,734 | \$12,688,650 | \$132,292,118 |
| FY2021 | 12.49% | \$4,858,767 | \$2,937,586 | \$748,007 | \$8,544,360 | \$68,432,856 |
| FY2020 | 15.46% | \$8,685,955 | \$2,409,743 | \$709,530 | \$11,805,228 | \$76,340,307 |
| FY2019 | 15.91% | \$8,066,276 | \$2,402,307 | \$896,910 | \$11,365,493 | \$71,431,894 |
| FY2018 | 15.39% | \$7,961,952 | \$2,147,461 | \$948,402 | \$11,057,815 | \$71,854,512 |

Source: PFM estimates based on the Town of Leesburg’s ACFRs (FY2018 to FY2022). Fitch report “U.S. Public Finance Tax Supported Rating Criteria,” dated April 3, 2018.



Fitch's Long Term Liability Metric (vs. Income) FY2022 & FY2021

- Fitch considers the combined debt and unfunded pension liability burden relative to the resource base to be of primary importance in the assessment of a government's long-term liability
- Fitch believes that debt and unfunded pension liabilities are effectively equivalent obligations
- Liabilities as a percentage of income indicate the burden on the economic base, with a ratio less than 10% considered to be a "aaa" assessment by Fitch
- Liabilities include total debt, VRS liability for the local government and VRS Liability for the local school district

| | Long Term Liability Metric (vs. Income) | Debt | Unfunded Pension Liability (Town) | Unfunded Pension Liability (Schools) | Total Debt & Liabilities | Total Personal Income |
|---------------|---|---------------|-----------------------------------|--------------------------------------|--------------------------|-----------------------|
| FY2022 | 5.39% | \$224,508,514 | \$18,160,192 | N/A | \$242,668,706 | \$4,506,334 |
| FY2021 | 6.20% | \$235,582,534 | \$33,724,363 | N/A | \$269,306,897 | \$4,341,947 |
| FY2020 | 6.00% | \$216,162,664 | \$28,231,788 | N/A | \$244,394,452 | \$4,071,046 |
| FY2019 | 6.44% | \$222,214,571 | \$21,754,973 | N/A | \$243,969,544 | \$3,788,850 |
| FY2018 | 6.56% | \$210,609,260 | \$24,113,193 | N/A | \$234,722,453 | \$3,579,413 |

Source: PFM estimates based on Town of Leesburg's Town of Leesburg's ACFRs (FY2018 to FY2022).
Fitch report "U.S. Public Finance Tax Supported Rating Criteria," dated April 3, 2018.



Fitch's Long Term Liability Metric (vs. Market Value) FY2022 & FY2021

- Fitch considers the combined debt and unfunded pension liability burden relative to the resource base to be of primary importance in the assessment of a government's long-term liability
- Fitch believes that debt and unfunded pension liabilities are effectively equivalent obligations
- Liabilities as a percentage of market value is also considered for local governments, with a ratio less than 5% considered to be a "aaa" assessment by Fitch and less than 10% considered to be a "aa" assessment
- Liabilities include total debt, VRS liability for the local government and VRS Liability for the local school district

| | Long Term Liability Metric (vs. Market Value) | Debt | Unfunded Pension Liability (Town) | Unfunded Pension Liability (Schools) | Total Liabilities | Assessed Value |
|---------------|---|---------------|-----------------------------------|--------------------------------------|-------------------|------------------|
| FY2022 | 4.64% | \$224,508,514 | \$18,160,192 | N/A | \$242,668,706 | \$10,566,622,280 |
| FY2021 | 5.79% | \$235,582,534 | \$33,724,363 | N/A | \$269,306,897 | \$9,469,858,988 |
| FY2020 | 5.99% | \$216,162,664 | \$28,231,788 | N/A | \$244,394,452 | \$8,449,625,843 |
| FY2019 | 6.47% | \$222,214,571 | \$21,754,973 | N/A | \$243,969,544 | \$8,010,150,318 |
| FY2018 | 6.80% | \$210,609,260 | \$24,113,193 | N/A | \$234,722,453 | \$7,647,910,325 |

Source: PFM estimates based on Town of Leesburg's Town of Leesburg's ACFRs (FY2018 to FY2022). Fitch report "U.S. Public Finance Tax Supported Rating Criteria," dated April 3, 2018.



Peer Credit Comparisons



Peer Group

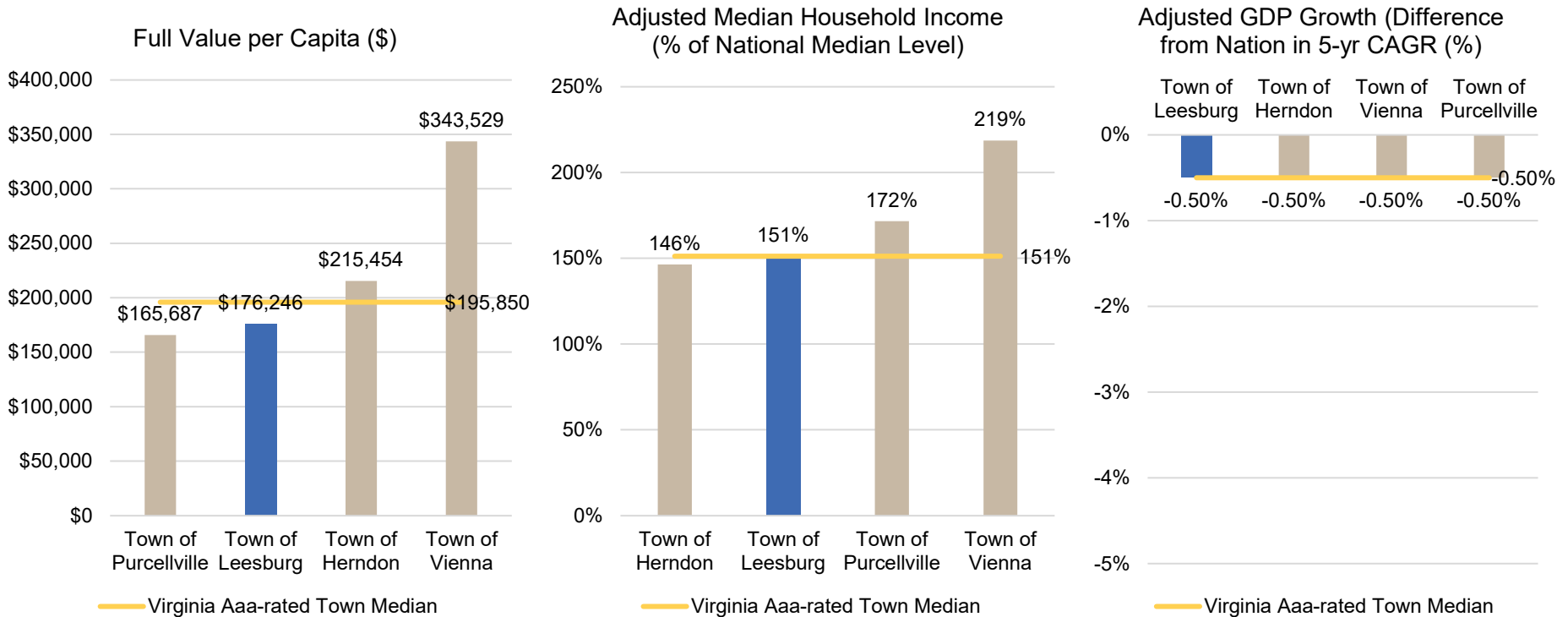
| Peer Group | Ratings | Population | Total Revenues | FY2022 Total Assessed Value |
|-------------------------|--------------------|---------------|------------------|-----------------------------|
| Town of Purcellville | Aa2/AAA/AAA | 10,063 | \$21,277 | \$1,667,304 |
| Town of Vienna | Aaa/AAA/NR | 16,532 | \$57,161 | \$5,679,216 |
| Town of Herndon | Aaa/AAA/AAA | 24,577 | \$41,989 | \$5,295,202 |
| Town of Leesburg | Aaa/AAA/AAA | 53,731 | \$161,304 | \$9,469,859 |

Source: Moody's Municipal Financial Ratio Analysis database, all data as of FY2022; Munita (<https://www.munite.com/>), as of 2/28/2023 for S&P and Fitch Ratings. Munita is a web-based platform for municipal bond information provided through Munita LLC, an affiliate of PFM Financial Advisors LLC.



Economy/Tax Base Data: Peer Comparison

Leesburg's economic & tax base credit metrics are comparable to its peers and the Virginia Aaa-rated Town medians

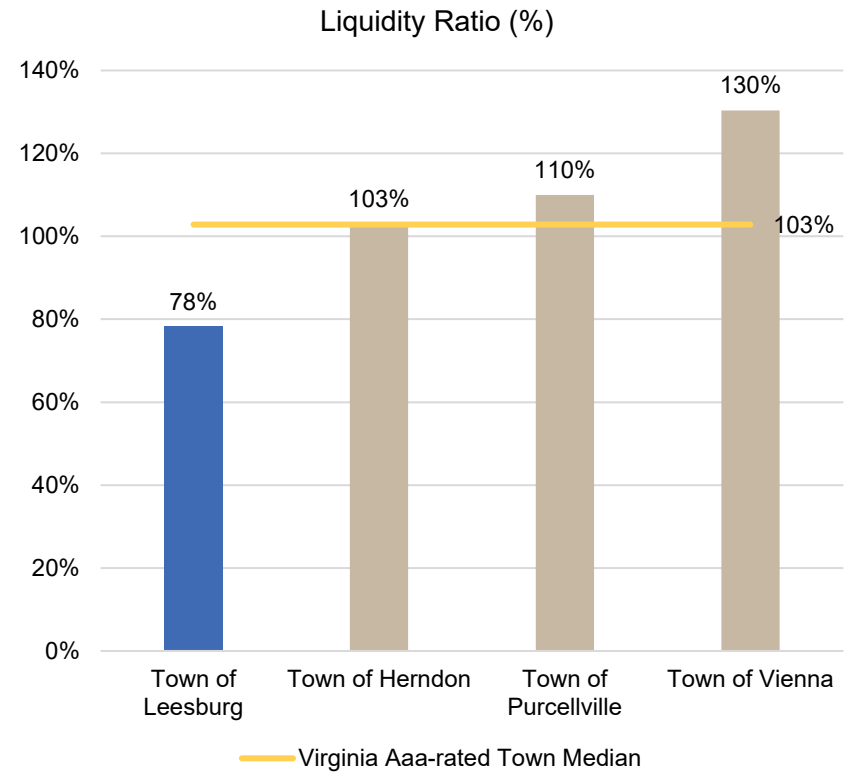
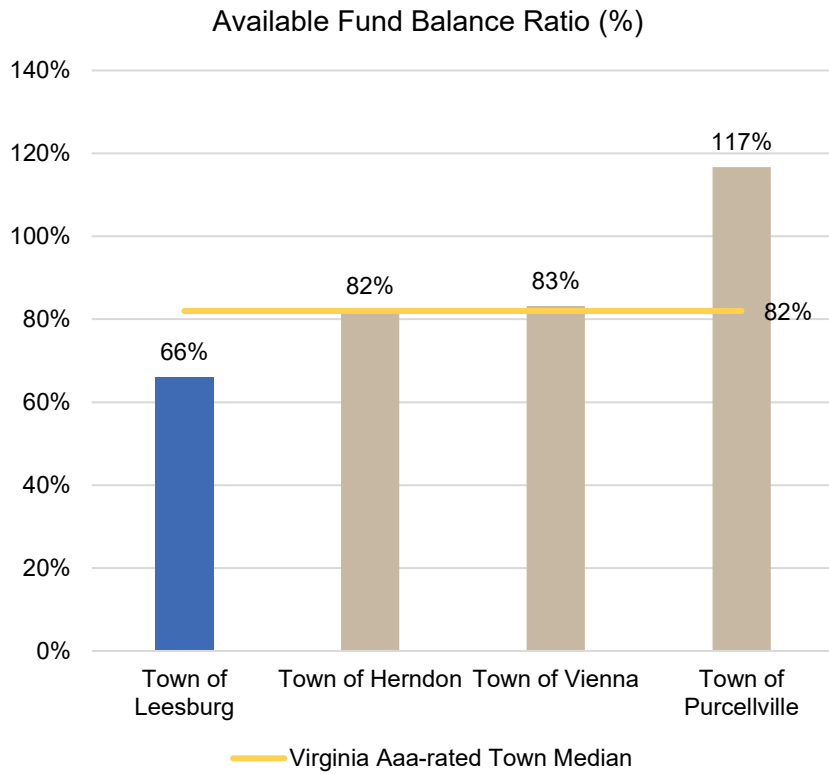


Source: Moody's Financial Ratio Analysis database, all data is as of FY2022 (July 1, 2021 to June 30, 2022). Virginia Aaa-rated Town Median includes three towns that Moody's rates as "Aaa" as of March 31, 2023.



Reserve & Liquidity Metrics: Peer Comparison

- Leesburg lags its peers & the median for Aaa-rated Virginia Towns in both available fund balance and liquidity ratios

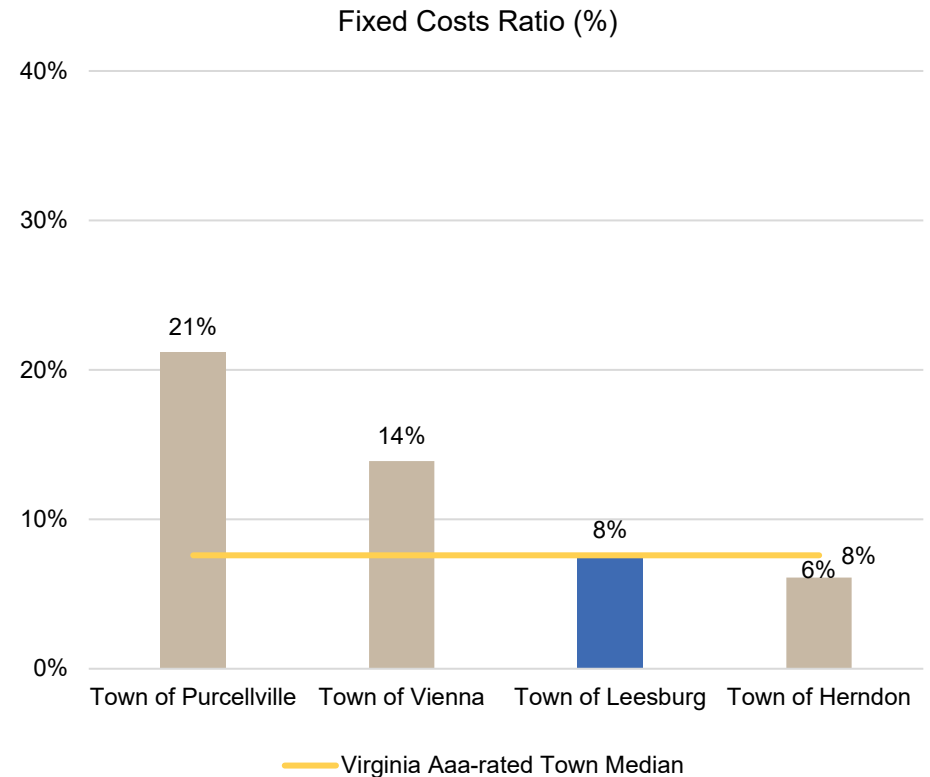
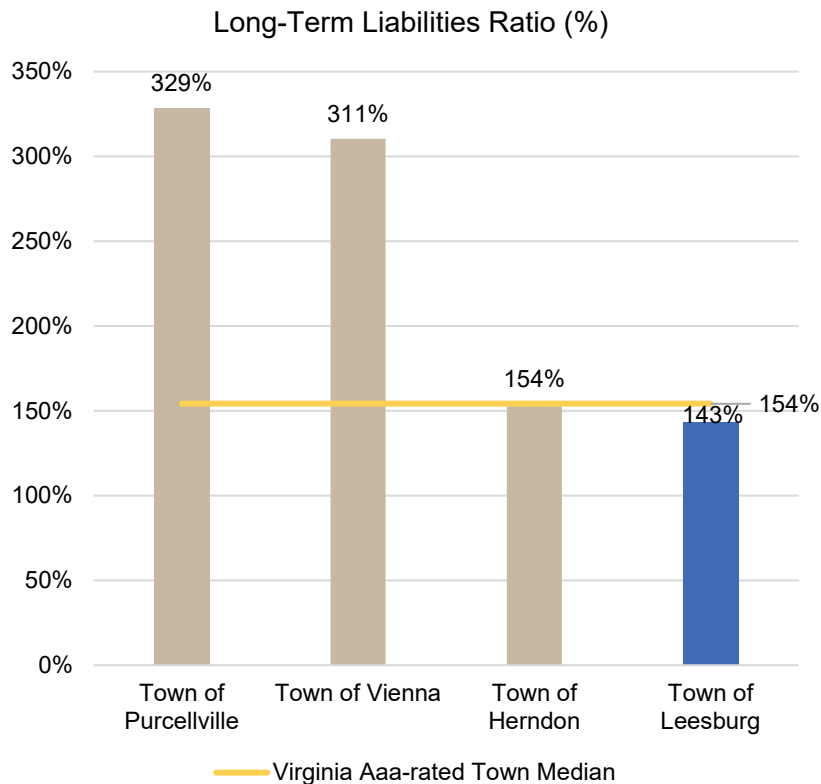


Source: Moody's Financial Ratio Analysis database, all data is as of FY2022 (July 1, 2021 to June 30, 2022). Virginia Aaa-rated Town Median includes three towns that Moody's rates as "Aaa" as of March 31, 2023.



Debt Measures: Peer Comparisons

- Leesburg's Long-Term Liabilities Ratio is lower (better) than its peers & below that of the median for Aaa-rated Virginia Towns
- Leesburg's Fixed Costs Ratio is lower (better) than its peers & in line with that of the median for Aaa-rated Virginia Towns



Source: Moody's Financial Ratio Analysis database, all data is as of FY2022 (July 1, 2021 to June 30, 2022). Virginia Aaa-rated Town Median includes three towns that Moody's rates as "Aaa" as of March 31, 2023.



Credit Ratings of Virginia Towns with Population >8,000

| Town | County | Ratings (Moody's/S&P/Fitch) | 2020 Population | Median Household Income |
|-----------------------|---------------|--------------------------------|-----------------|-------------------------|
| Leesburg | Loudoun | Aaa/AAA/AAA | 48,250 | \$116,350 |
| Blacksburg | Montgomery | Aa2/AA/NR | 44,826 | \$43,804 |
| Herndon | Fairfax | Aaa/AAA/AAA | 24,655 | \$117,741 |
| Christiansburg | Montgomery | Not Rated | 23,348 | \$63,934 |
| Culpeper | Culpeper | Aa2/AA/NR | 20,062 | \$79,572 |
| Vienna | Fairfax | Aaa/AAA/AAA | 16,473 | \$200,938 |
| Front Royal | Warren | Not Rated | 15,011 | \$54,731 |
| Warrenton | Fauquier | Not Rated | 10,057 | \$78,275 |
| Pulaski | Pulaski | Not Rated | 8,985 | \$50,410 |
| Purcellville | Loudoun | Aa2/AAA/NR | 8,929 | \$140,536 |
| Smithfield | Isle of Wight | Not Rated | 8,533 | \$92,913 |
| Abingdon | Washington | Aa3/AA/NR | 8,376 | \$54,384 |
| Wytheville | Wytheville | Not Rated | 8,265 | \$41,074 |
| Vinton | Roanoke | Not Rated | 8,059 | \$56,829 |

Source: U.S. Census; Moody's Municipal Financial Ratio Analysis database, all data as of FY2022; Munite (<https://www.munite.com/>), as of 2/28/2023 for S&P and Fitch Ratings. Munite is a web-based platform for municipal bond information provided through Munite LLC, an affiliate of PFM Financial Advisors LLC.



Disclaimer

The research, calculations and any forecasts in this document are based on current public information as of April 28, 2023 (or the dates noted herein) that we consider reliable and are subject to change.

TECHNICAL MEMORANDUM

TO: Loudoun County, Virginia
FROM: RKG Associates, Inc.
DATE: June 12, 2023
SUBJECT: Town of Leesburg Annexation Need Analysis

INTRODUCTION

This report analyzes historic construction trends, existing development conditions, and market performance indicators among non-residential land uses throughout Loudoun County, drawing comparisons between unincorporated areas and incorporated municipalities. Through the analysis of incorporated municipalities, particular emphasis was given to the Town of Leesburg. The Town of Leesburg has expressed recent interest in expanding their municipal boundaries to secure additional land resources and to strengthen their commercial and/or industrial marketplace. The results from the analyses can offer a source of justification for whether annexation is needed to advance the Town's market prospects.

A. Data Sources

RKG Associates analyzed these real estate segments using various data sources, real estate reports, and interviews with real estate professionals to provide an understanding of the current and future potential of non-residential development prospects.

This report used multiple data sources to gather the information needed to thoroughly analyze the Loudoun County, incorporated municipalities, and comparable communities (Purcellville, Herndon, Manassas, Vienna):

- REIS/Moody's is a top provider of commercial and industrial real estate market information for metropolitan areas around the United States.
- Loudoun County Assessors Data includes data for square footage, year built, and zoning of commercial and industrial properties for unincorporated and incorporated areas of the county.
- Loudoun County Permitting includes building permit data on developments either proposed or under construction.

- Fairfax County Assessors Data includes data for square footage, year built, and zoning of commercial and industrial properties for the Towns of Vienna and Herndon.
- The City of Manassas Assessors Data includes data for square footage, year built, and zoning of commercial and industrial properties for their municipal boundaries.

This report also includes input from multiple real estate brokers that serve various property types throughout Loudoun County.

B. Executive Summary of Findings

Leesburg has a higher proportion of land zoned for non-residential use than unincorporated Loudoun County. While Washington D.C.'s economic sphere of influence extended westward, development of residential subdivisions underwent rapid expansions in unincorporated Loudoun County, particularly in the western half of the County. These residential development expansions supported unincorporated Loudoun's transition into a bedroom community for eastward employment centers. Long before unincorporated Loudoun's swift transition into a bedroom community, Leesburg was considered a commercial destination. The current development patterns for Leesburg and unincorporated Loudoun County reflect that history. Leesburg has a higher concentration of non-residential land than unincorporated Loudoun.

Leesburg has substantially more land available for non-residential development than comparable Northern Virginia municipalities. Leesburg has a greater proportion of non-residential land than unincorporated Loudoun. Moreover, the Town has more developable land zoned for non-residential use than comparable municipalities in Northern Virginia (this study considered Purcellville, Vienna, Manassas, and Herndon). As of this analysis, Leesburg has approximately 220 acres of undeveloped land zoned for non-residential use. In comparison, these four Northern Virginia municipalities have a combined total of 162 undeveloped acres zoned for non-residential use.

It will take several years before Leesburg's undeveloped non-residential land inventory is built-out. Accounting for remaining developable land and the Town's historic pace of delivering non-residential development projects, RKG Associates estimated that it will take approximately 23 years until vacant land zoned non-residential is completely developed in Leesburg. Given the Town's recent development pace for industrial uses, the analysis indicates the Town's industrially zoned vacant land will take approximately 23 years to be built out. Commercially zoned vacant land has an approximate 13 year build out pace. Further, this analysis does not consider infill and redevelopment of underutilized properties within the Town, which has constituted much of Leesburg's recent activity. It is likely that the non-residential buildout timeframe for the Town is longer than 23 years.

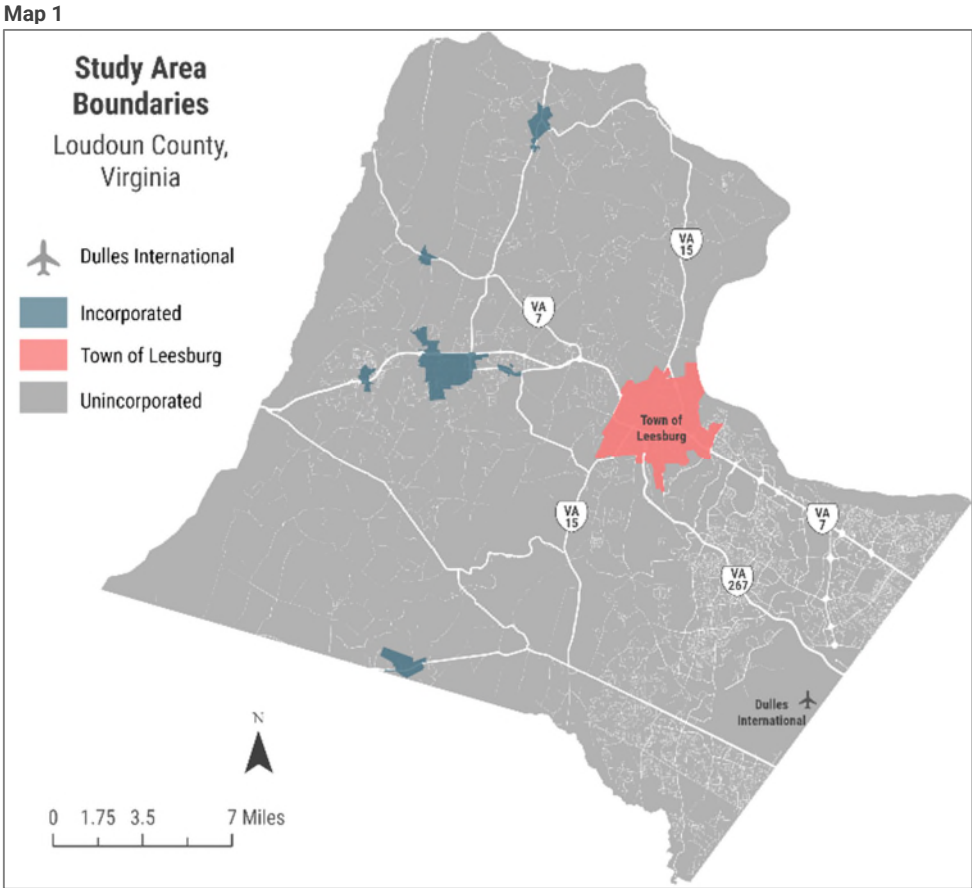


Expansion of the town's boundaries would only add an estimated 30 acres of developable land. The proposed annexation would add approximately 440 acres of land into the Town. While most of that land is not developed, only 30 acres of that total is not already developed, or master planned. The proposed annexation area includes a Wal-Mart supercenter, an At Home retail facility, and a large master planned data center campus for Microsoft. Currently, the Microsoft campus has two data centers with plans on developing the rest of the facility. The lone 30-acre parcel that is not developed or already master planned is located between the Dulles Greenway, Campus Creek Parkway, the Town boundary, and the exit ramp from the Dulles Greenway at Exit 2B.

LOUDOUN COUNTY ANALYSIS

A. Study Area Boundaries

The subsequent real estate analyses that focused on Loudoun County consisted of a comparative assessment between the Town of Leesburg, unincorporated Loudoun County, and other incorporated municipalities within the county (Map 1).





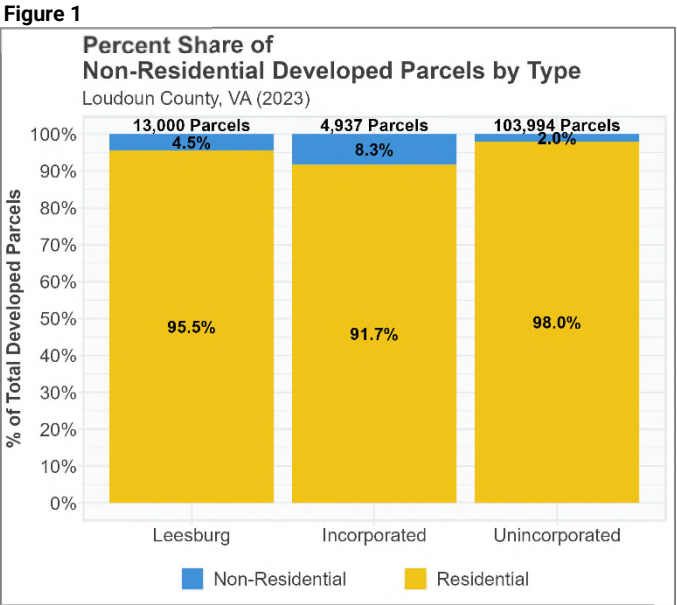
Incorporated municipalities include Purcellville, Hamilton, Hillsboro, Round Hill, and Lovettsville. A comparative assessment between the three distinct study areas enabled a better understanding of how non-residential development activities have unfolded in different areas of the county and why.

B. Non-Exempt Properties

This section summarizes the distribution of non-exempt properties within Loudoun County, detailing key differences between unincorporated Loudoun County and incorporated municipalities, including the Town of Leesburg. RKG Associates defined non-exempt properties as all taxable properties consisting of either residential or non-residential uses. Beyond typical commercial and industrial uses (e.g., office, retail, and data centers), non-residential uses include service-based uses such as private recreation facilities and commercial agriculture.

1. Non-Exempt Development

Loudoun County’s base of non-exempt properties are heavily weighted towards residential uses on a per-parcel basis (Figure 1). In total, 2.0% of the unincorporated county’s developed parcels are used for commercial or industrial uses. The substantial gap between residential and non-residential uses reflects the county’s long-standing role as a suburban bedroom community within the Washington Metropolitan Area’s economic sphere of influence. Loudoun County has offered a competitive price-point for homeownership opportunities in relation to employment centers farther east, including Fairfax County. These favorable market conditions catalyzed for construction of single-family subdivisions, especially in unincorporated Loudoun County (e.g., Ashburn, Sterling).



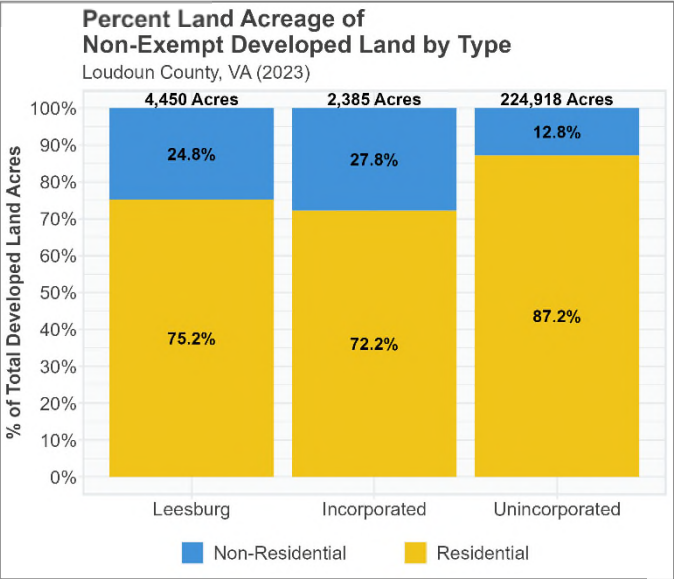
Source: Loudoun County, RKG Associates, Inc., 2023

In contrast, incorporated areas of Loudoun County have a larger share of developed parcels being used for non-residential uses. Within Leesburg, the number of developed non-residential parcels total 4.5%, more than twice the concentration in unincorporated Loudoun. The non-residential developed parcels in other incorporated areas total 8.3%.



The disparity between unincorporated Loudoun County and the incorporated areas remains when considering developed acreage (Figure 2). Non-exempt developed acres in unincorporated Loudoun County committed to non-residential development accounts for roughly 13.0% of the total developed acreage. Leesburg (24.8%) and the remaining incorporated areas (27.8%) have higher concentrations of non-residential land.

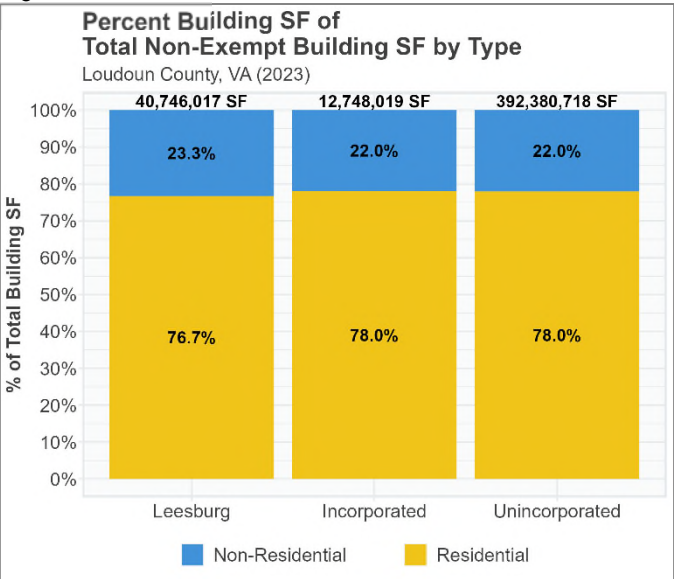
Figure 2



Source: Loudoun County, RKG Associates, Inc., 2023

Incorporated Loudoun and unincorporated Loudoun report similar proportions of building square footages between non-residential and residential uses (Figure 3). The scale differs on a per-building basis, however, as the average building size in unincorporated Loudoun is typically larger. Beyond typical non-residential uses (e.g., retail, office, flex), figure-3 accounts for agricultural uses too. In unincorporated Loudoun, 22.0% or 86.3 million square feet is non-residential development. Nearly 430,000 square feet of non-residential development (approximately 0.01%) is commercial agriculture (e.g., agritourism, wineries etc.)

Figure 3



Source: Loudoun County, RKG Associates, Inc., 2023

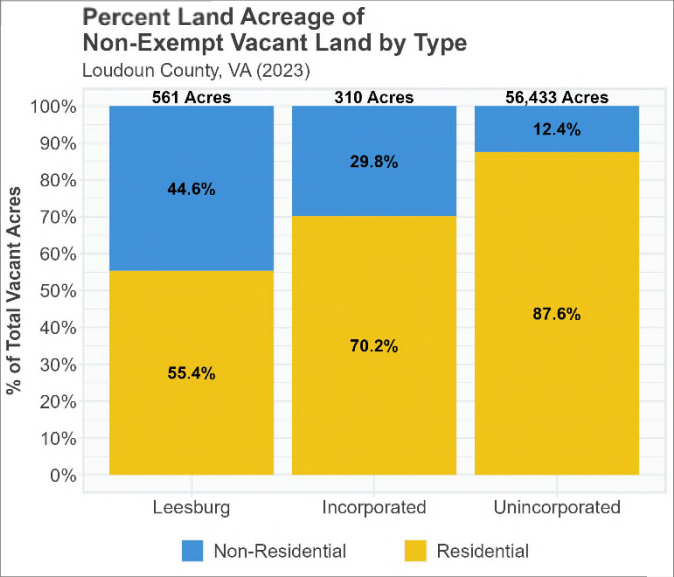
2. Non-Exempt Vacant Land

Throughout Loudoun County, most vacant land is zoned for residential uses. (Figure 4). For unincorporated Loudoun County, 87.6% of the 56,433 vacant acres are zoned residential. In comparison, 55.4% of Leesburg’s 561 vacant acres are zoned residential (and 87.6% of the remaining incorporated areas are zoned residential).



The efficiency of residential zoning differs between the three study areas. In unincorporated Loudoun County, nearly 80% of residential vacant land is zoned under an agricultural designation: AR1, AR2. Under this designation, the density of residential development can range between a minimum of 1 dwelling unit per 5 acres to a minimum of 1 dwelling unit per 15 acres. This differentiates from Leesburg’s higher density levels, where most residential vacant land allows between 1-4 dwelling units per acre. While unincorporated Loudoun County retains strict agricultural zoning policies, the extent of commercial and industrial opportunities is limited.

Figure 4

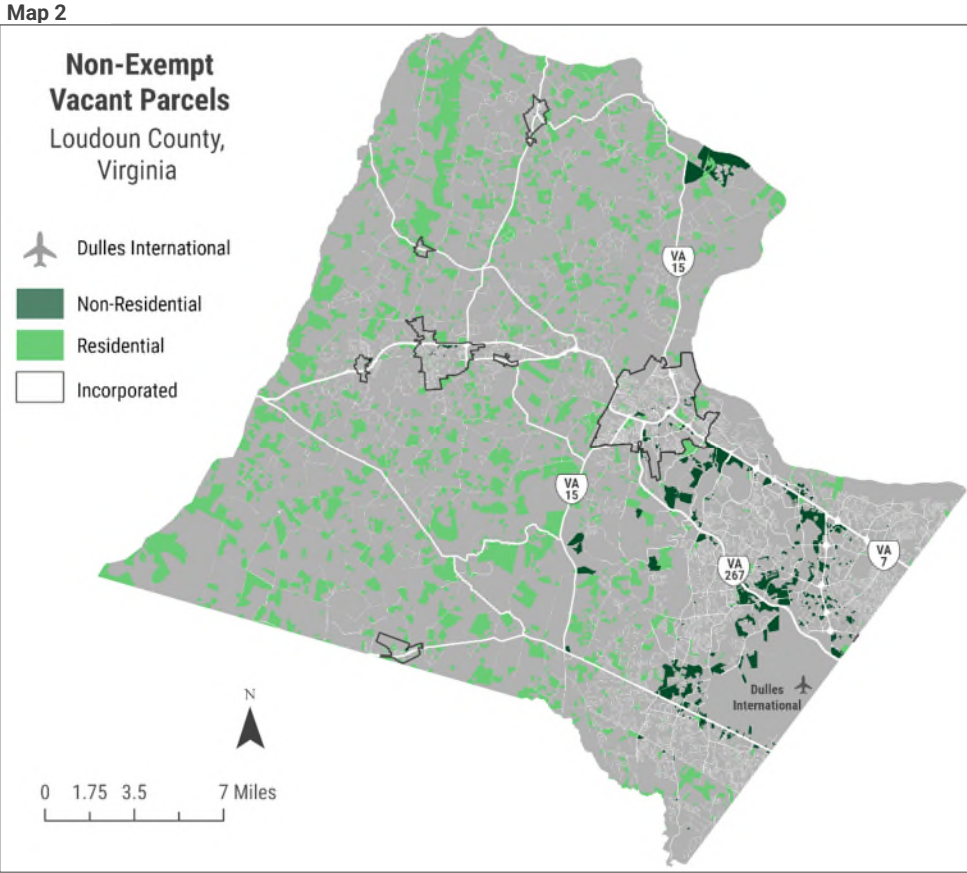


Source: Loudoun County, RKG Associates, Inc., 2023

In relation to the other study areas, the Town of Leesburg has the highest proportion 44.6% of non-residential vacant land, which totals approximately 253 acres. Among this acreage most are limited to commercial uses, consistent with the town’s marketplace fundamentals.

Within Loudoun County, there is a notable divide between eastern Loudoun and Western Loudoun (Map 2). The north-south Virginia Highway 15 (VA-15) has been demarcated as a boundary for non-residential development. The only non-residentially zoned vacant land west of VA-15 is located in incorporated areas of the County. In comparison, most remaining vacant land east of VA-15 is zoned non-residential (which includes mixed use). Land surrounding Dulles International Airport is almost exclusively non-residential. This finding is consistent with the county’s available infrastructure, where road, utility, and service provision are strongest east of VA-15.





Source: Loudoun County, RKG Associates, Inc., 2022

C. Non-Residential Developed Parcels

This section summarizes the distribution of non-residential development within Loudoun County and the key differences between unincorporated Loudoun County and incorporated municipalities, including the Town of Leesburg. For the purposes of this analysis, non-residential development is classified as properties with commercial or industrial uses.

Commercial Properties. Includes all retail and office uses.

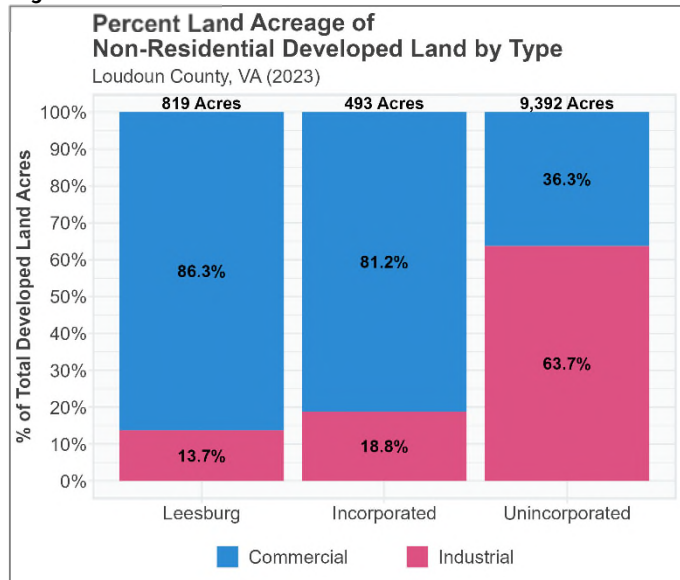
Industrial Properties. Automotive Repair & Maintenance, Light Industrial/Flex Spaces, Warehouse/Distribution, Data Centers, Medium/Heavy Industrial. All of these excluding any accessory uses.



1. Non-Residential Development

Developed non-residential land in the incorporated portions of Loudoun County are more heavily concentrated for commercial use than unincorporated Loudoun County (Figure 5). In Leesburg, commercial uses account for 86.3% of all developed acres. Other incorporated areas have a similar concentration of commercial land (81.2%). In contrast, approximately 36% of non-residential developed land is used for commercial purposes in unincorporated Loudoun. The disparity primarily is due to the difference in market needs. The smaller footprint of the incorporated areas combined with the higher residential concentrations necessitate greater focus on retail and service provision. Consistently, Leesburg has a cluster of regional retail centers that serve northern and western Loudoun County.

Figure 5



Source: Loudoun County, RKG Associates, Inc., 2023

In contrast to unincorporated Loudoun County – particularly the Dulles area and Virginia Highway 7 (VA-7), Leesburg does not offer the same development conditions to support most industrial uses. This includes heavy/medium industrial sites and data centers which require substantial land resources to generate economies-of-scale. Both types of industrial uses have clustered in unincorporated Loudoun County, where larger tracts of land and less development pressures have made the economies of industrial development competitive with residential, commercial, and mixed-use development. For example, the average parcel size for data centers is approximately 27 acres among the 2,406 acres of developed industrial land in Loudoun County committed to that use. This is essential for accommodating the resulting structure size, which in Loudoun County, has averaged approximately 400,000 square feet.

The breakdown of non-residential use is similar to land consumption. Commercial uses (retail and office space) constitute substantially greater percentages of all non-residential building space in the incorporated areas as compared to unincorporated Loudoun County (Figure 6). The Town of Leesburg’s commercial building space accounts for more than 80% of all non-residential building space compared to 41.2% for unincorporated Loudoun. As noted, the influence of data center development is the primary reason for this disparity.



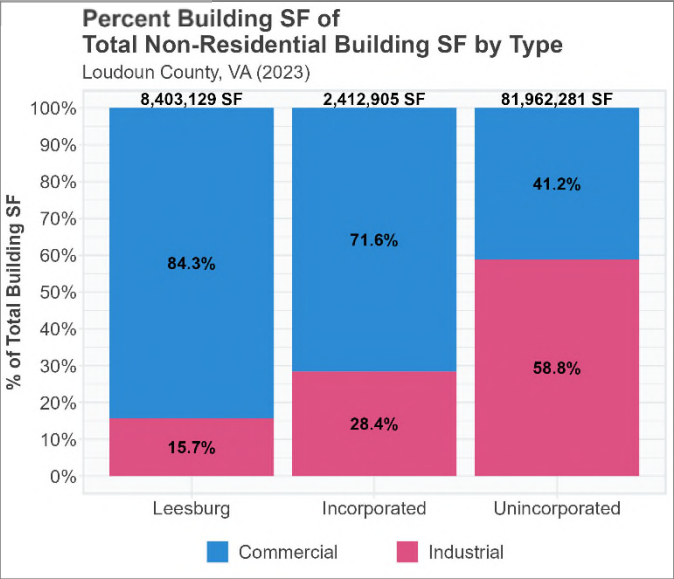
The aggregate building square footage of data centers (approximately 26.0 million sf) consumes over half of the total industrial inventory in unincorporated Loudoun County. Their substantial allocation contributes to the total building square footage of industrial uses outweighing the total building square footage of commercial uses in unincorporated Loudoun County. In contrast, Leesburg’s employment base is predominately white-collar businesses prone to demand accompanying office spaces while the volume of the town’s household base stimulates demand for retail and service uses.

2. Industrial Subtypes

In addition to having proportionally smaller industrial bases, incorporated areas of Loudoun County have differing distribution of use types within the industrial category as compared to unincorporated Loudoun County (Figure 7). The two most notable differences are data centers (concentrated almost exclusively in unincorporated Loudoun) and automotive uses (concentrated almost exclusively in incorporated Loudoun).

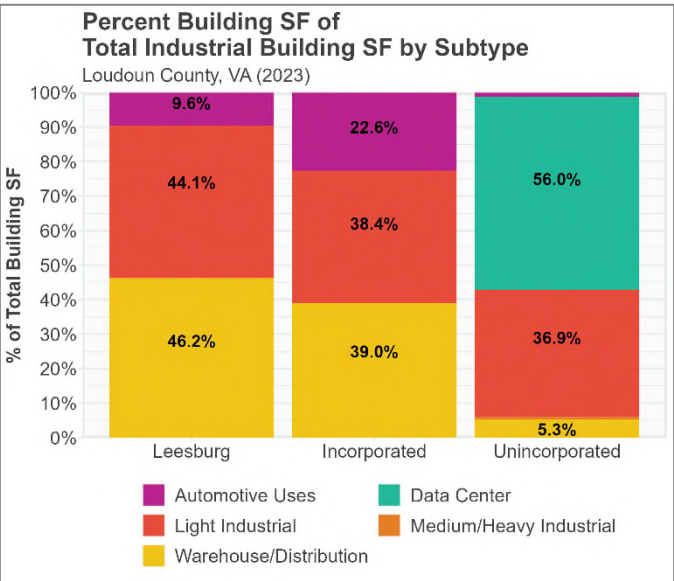
The incorporated areas of Loudoun County have concentrations in light industrial and warehouse/distribution space. However, further market research and interviews with local real estate professionals indicated that commercial uses (retail and office uses) are prevalent in the Town of Leesburg’s industrial properties. Several light industrial/flex spaces are occupied by retail or office tenants, a

Figure 6



Source: Loudoun County, RKG Associates, Inc., 2023

Figure 7



Source: Loudoun County, RKG Associates, Inc., 2023



competitive marketplace within the town’s municipal limits. The attraction for commercial users to light industrial/flex spaces largely is due to the industrial spaces’ competitive pricing. These spaces have lower rental rates than traditional office and/or retail spaces.

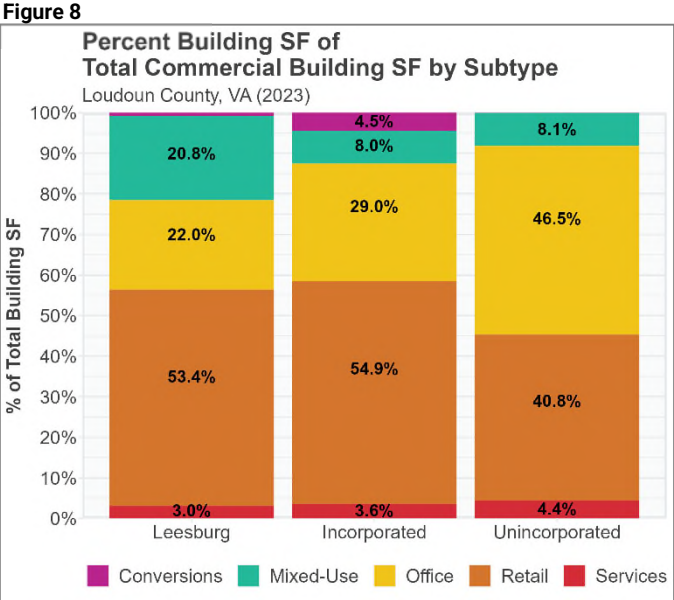
The trend of non-industrial tenants occupying industrial spaces has continued in Leesburg, through recent notable development projects. Light industrial/flex uses, and warehouse/distribution facilities represented the largest forms of industrial development since 2010. Despite these deliveries, however, many spaces are not occupied by true production-based operations. Leesburg Tech Park, a notable light/industrial flex use development is occupied by several retail and service-based users (e.g., religious institution, youth gymnastics club, etc.). Among the three warehouse/distribution facilities constructed since 2010, all are self-storage facilities (e.g., Life-Storage, Cube-Smart) designed for the county’s growing household base.

3. Commercial Subtypes

In unincorporated Loudoun County, office uses constitute the largest share of commercial square footage (Figure 8). This is largely attributed to the scale of typical office spaces seen in suburban marketplaces such as unincorporated Loudoun County.

Most of the office development in unincorporated Loudoun is upscale facilities designed to accommodate corporate operations with 500 or more workers. While the average office space in unincorporated Loudoun County exceeds 60,000 square feet, the average office space in Leesburg is below 12,000 square feet. Leesburg’s office product is designed for smaller tenants, 100 employees or fewer. Office spaces that are similar in size to Leesburg’s marketplace are projected to become more attractive as businesses seek to downsize following the COVID-19 pandemic.

In comparison, the incorporated areas of Loudoun County have higher concentrations of retail space, which accounts for more than 50% of all commercial building square footage. As noted previously, this disparity is consistent with space demands, as the county’s



Source: Loudoun County, RKG Associates, Inc., 2023

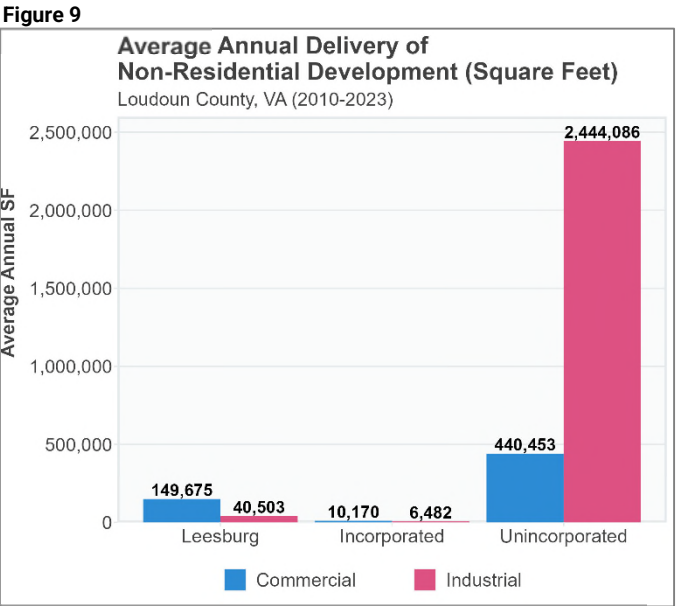


incorporated areas tend to serve the county’s largely residential western and northern suburbs.

D. Non-Residential Development Trends

1. Total Activity 2010-2021

Since 2010, average annual deliveries among industrial uses were highest in unincorporated Loudoun County (Figure 9). This is largely due to the rapid construction of data centers, averaging approximately 400,000 square feet in that time frame. The nearly sixty additional data centers developed since 2010 reinforces Loudoun’s reputation as the nation’s epicenter for data processing. The accessibility to fiber connectivity and abundance of developable land resources advanced the construction of data centers in eastern Loudoun County.



Source: Loudoun County, RKG Associates, Inc., 2023

While previously vacant land parcels could have supported the developmental scale of data centers, the Town of Leesburg utilized those parcels for commercial uses. The Village at Leesburg, which completed construction in 2013 is nearly 60 acres. However, Leesburg’s competitive edge for commercial uses led to average annual deliveries exceeding industrial uses. The construction of commercial developments was executed to accommodate regional household base expansions, strengthening Leesburg’s market position as a regional retail and services destination.

2. Average Development Efficiency (Building SF/Acre)

Leesburg exceeded other areas of Loudoun County in the average number of square feet developed per acre (Figure 10). Relative to unincorporated Loudoun County, land plots are smaller in Leesburg which ultimately results in higher developmental density levels. In Leesburg, industrial developments are higher than commercial developments on a per acre basis. This is largely inflated due to the recent construction of self-storage facilities (categorized as Warehouse/Distribution





facilities). Among the three self-storage facilities developed since 2010, two facilities are developed above 100,000 square feet and consume approximately 2 acres. On average, self-storage facilities represent the highest densities among non-residential development constructed since 2010.

New construction of single-use office parks in Loudoun County is likely to remain minimal due to work-from-home trends and shifting market preferences towards mixed-use activity centers.

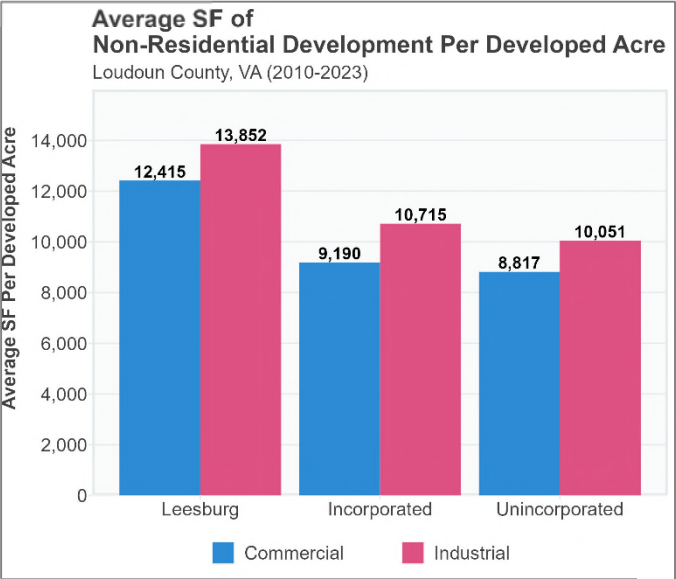
Development of mixed-use activity centers increased over the previous decade in response to shifting market preferences towards walkable communities that offer connectivity to services and amenities. Among the types of commercial projects delivered in the previous decade, the average size of mixed-use development was the highest. The scale of development is inflated to make projects financially feasible, as developers are driven to maximize land-efficiencies due to escalating land costs. In unincorporated Loudoun County, land costs are escalating due to intensified competition from data centers.

3. Development Capacity

RKG calculated the projected number of years it will take each study area to be built out (Table 1). This is based on the remaining vacant land zoned for non-residential uses (commercial and industrial) and the average number of acres absorbed through recent development projects (since 2010). As projected in the table, commercial vacant land in

unincorporated Loudoun County will take approximately 71 years to occupy, the longest time among non-residential uses within each study area. However, given the pent-up demand for light industrial/flex spaces and data centers, it's feasible that significant portions of commercial vacant land could be rezoned for industrial development.

Figure 10



Source: Loudoun County, RKG Associates, Inc., 2023

Table 1
 PROJECTED BUILD OUT

| | Average Annual Acres Absorbed ¹ | Remaining Developable Acres ² | Estimated Absorption (in Years) ³ |
|-------------------------------|--|--|--|
| Leesburg | | | |
| Commercial | 12.0 | 153.2 | 12.8 |
| Industrial | 2.9 | 66.7 | 22.8 |
| Incorporated Loudoun | | | |
| Commercial | 1.1 | 67.6 | 61.1 |
| Industrial | 0.6 | 9.6 | 16 |
| Unincorporated Loudoun | | | |
| Commercial | 50.0 | 3,541.1 | 70.8 |
| Industrial | 243.2 | 2,421.1 | 10.0 |

¹ Average consumption of acres per year based on development activity and land consumed 2010-2021

² Vacant land zoned for commercial and industrial development net impacted areas (e.g., wetlands)

³ Projected number of years to consume remaining developable acres



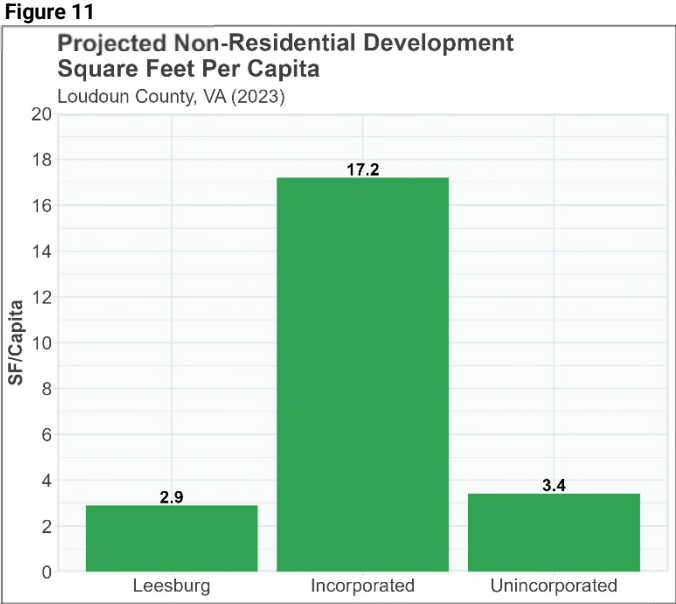
Leesburg still has ample vacant land available for commercial and industrial development. Not accounting for potential redevelopment projects, their current pace of development projects that commercial land would be built out in roughly 13 years whereas industrial land would be built out in roughly 23 years. Given the potential for underutilized commercial properties in the town to be targeted for redevelopment, the actual capacity of the town likely is much higher.

E. Proposed Non-Residential Development Activities

RKG Associates analyzed building permits for the three study areas—Leesburg, unincorporated Loudoun, incorporated Loudoun. This analysis was broken down between projects that are either seeking approval or already approved/under construction.

Relative to the three study areas, most proposed development activity is targeting unincorporated Loudoun—767,713 square feet already approved or under construction and 381,749 square feet seeking approval. The relatively higher quantities of proposed developed in unincorporated Loudoun is due to the area’s higher quantities of undeveloped land. In unincorporated Loudoun, substantial land is available for non-residential development opportunities. This includes data centers, which remain nowhere near market saturation according to local brokers. A data center is currently under construction in unincorporated Loudoun, expected to be 200,000 square feet.

Proposed development activities targeting incorporated Loudoun exceed the other study areas on a per-capita basis (Figure 11) The inflated scale of proposed development in incorporated Loudoun is due to differences in total population between the study areas. Nearly 340,000 residents live in unincorporated Loudoun County whereas approximately 50,000 residents live in Leesburg. These population quantities are substantially higher than the population within incorporated Loudoun County where most proposed development activities are being targeted--Lovettsville (sub 3,000 residents) Purcellville (sub 10,000 residents).



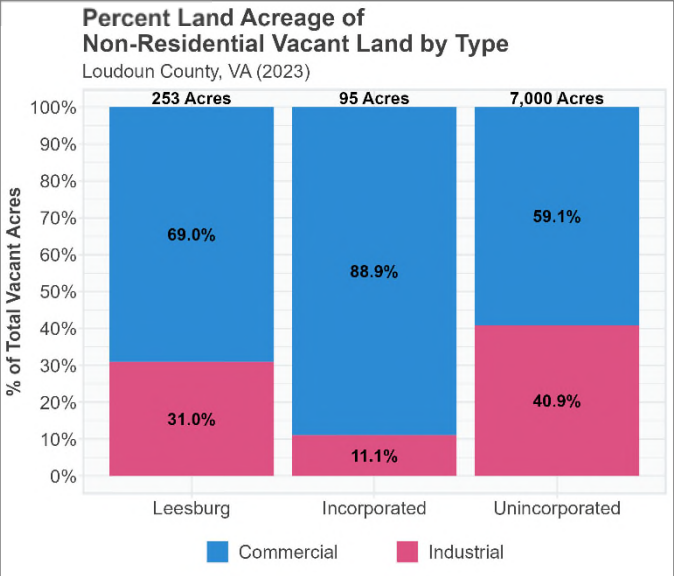
Source: Loudoun County, RKG Associates, Inc., 2023



F. Non-Residential Vacant Land

Most vacant land is zoned for commercial development. Commercially zoned vacant land ranges from 59.1% (unincorporated Loudoun) to 88.9% (incorporated Loudoun) of non-residential land (Figure 12). The Town of Leesburg’s commercially zoned vacant land represents 69.0% of all non-residentially zoned vacant land. The relatively higher proportions of allotted land towards commercial development in Leesburg and other incorporated areas reflect marketability, as dense housing clusters generate demand for additional retail or office spaces. Unincorporated Loudoun County has the highest proportion of vacant land zoned for industrial uses. While incorporated municipalities (including Leesburg) face several developmental limitations, unincorporated areas have greater economic efficiencies for industrial development. This includes larger plots of land available for construction and greater accessibility to infrastructure requirements.

Figure 12



Source: Loudoun County, RKG Associates, Inc., 2023

1. Non-Residential Net-Vacant Land

The previous section identifies all vacant land zoned for non-residential development. However, some of this land area has environmental considerations that limit the partial, or total, use of this land. The primary environmental constraints that can limit development opportunities in Loudoun County are wetlands and unfavorable slope gradients, particularly in excess of 15%. Where these topographical features exist are considered undevelopable and can reduce the buildable land area of available vacant parcels. Map 3 demonstrates this process, illustrating an example of a vacant parcel in the Town of Leesburg where areas in red represent areas of the parcel subjected to environmental constraints. To this point, these impacted areas need to be removed from the calculation of available, developable vacant land.





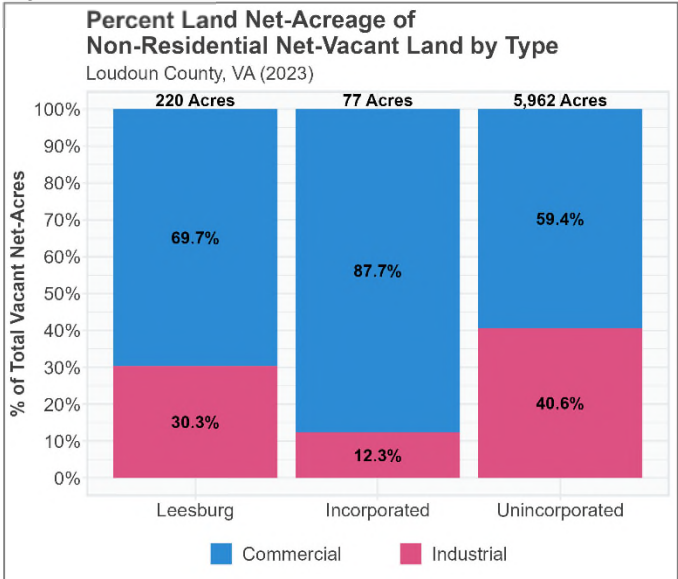
Source: Loudoun County, RKG Associates, Inc., 2022

In examination of vacant land distributed throughout Loudoun County, RKG Associates removed areas of parcels subjected to environmental constraints, wetlands, and slopes in excess of 15%. Accounting for environmental constraints, RKG Associates calculated the net-vacant land, or total number of buildable acres in each study area (Figure 13). Despite removal of environmental constraints, each study area retains substantial developable land opportunities in areas zoned for residential and non-residential land uses. Approximately 220 of the Town of

Leesburg’s 253 acres of non-residentially environmental considerations.

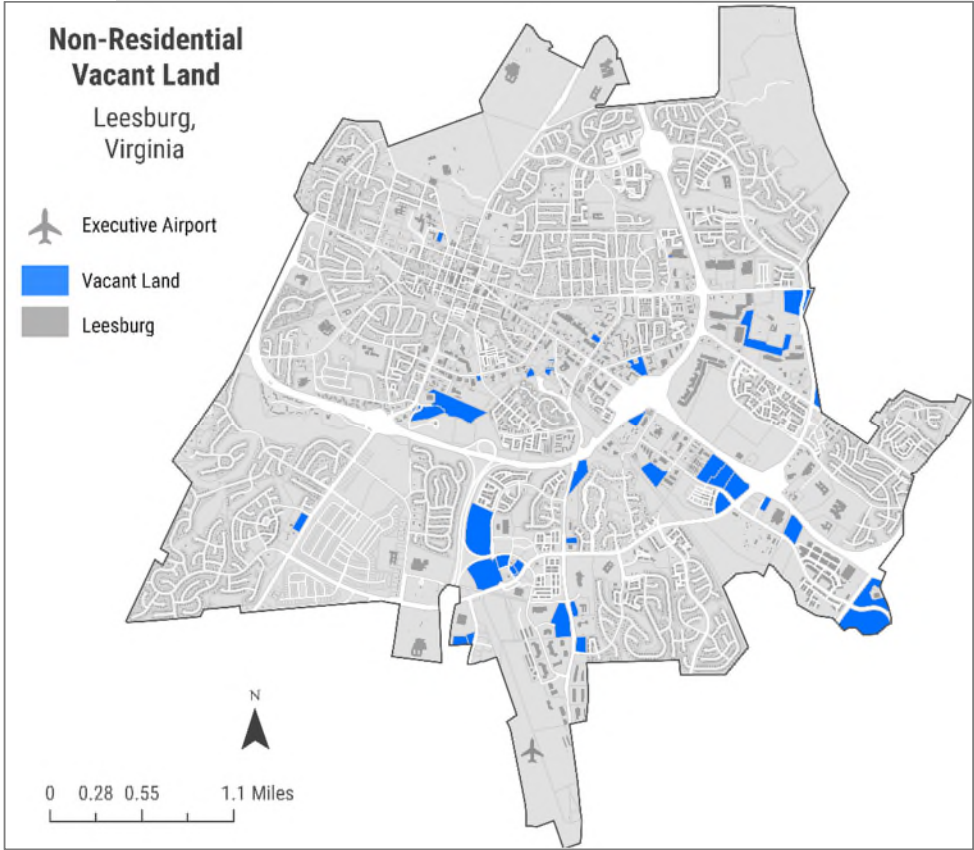
Map-4 depicts the remaining vacant parcels in the Town of Leesburg that could be used for development opportunities.

Figure 13



Source: Loudoun County, RKG Associates, Inc., 2023

Map 4



Source: Loudoun County, RKG Associates, Inc., 2022

G. Annexation Scenarios

If Leesburg were to pursue annexation, their municipal boundaries would add substantial developed land acreage and developable land acreage. RKG Associates quantified the number of acres Leesburg would gain and unincorporated Loudoun would lose as a result of annexation. The following sections report on the impacts of annexation.





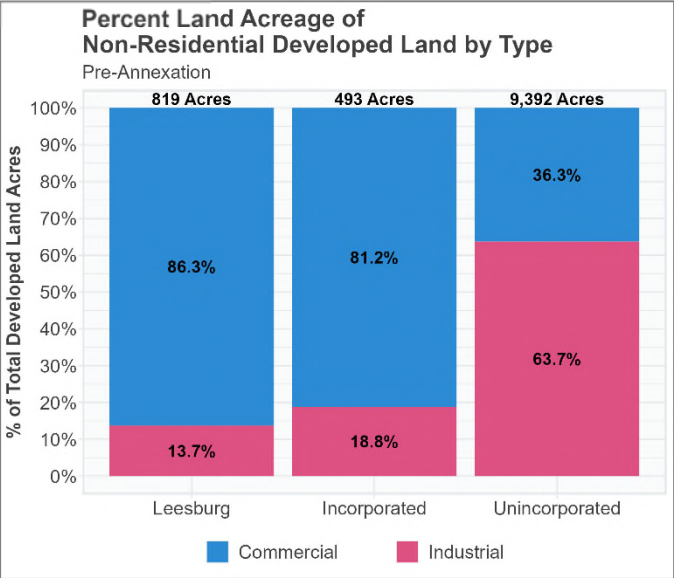
1. Non-Residential Developed Acreage

In the Town of Leesburg, commercially developed land acreage substantially outweighs industrial developed land acreage (Figure 14). Among the 819 non-residential developed acres, 707 acres are commercially developed while 112 acres are industrially developed.

Under a hypothetical annexation scenario, the Town of Leesburg’s industrially developed land would nearly quadruple from 112 acres to 436 acres. The sharp increase in industrially developed acreage would be due to Leesburg annexing over 300 acres of Microsoft-owned land. Microsoft is projected to develop a data center on the land they own. Therefore, RKG Associates accounted Microsoft-owned land as non-residential developed land.

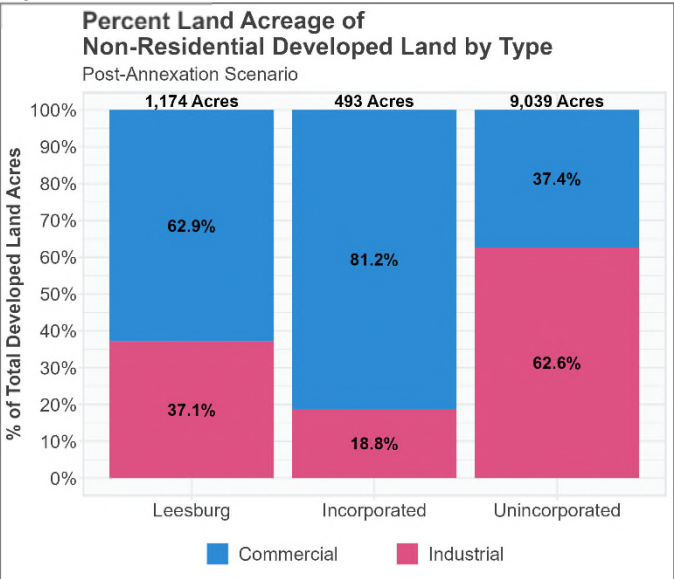
Annexation would create a greater balance between commercially developed acreage and industrially developed acreage in Leesburg (Figure 15). Among the 1,174 non-residential developed acres under a hypothetical annexation scenario, 436 acres would be industrially developed while 738 would be commercially developed.

Figure 14



Source: Loudoun County, RKG Associates, Inc., 2023

Figure 15



Source: Loudoun County, RKG Associates, Inc., 2023

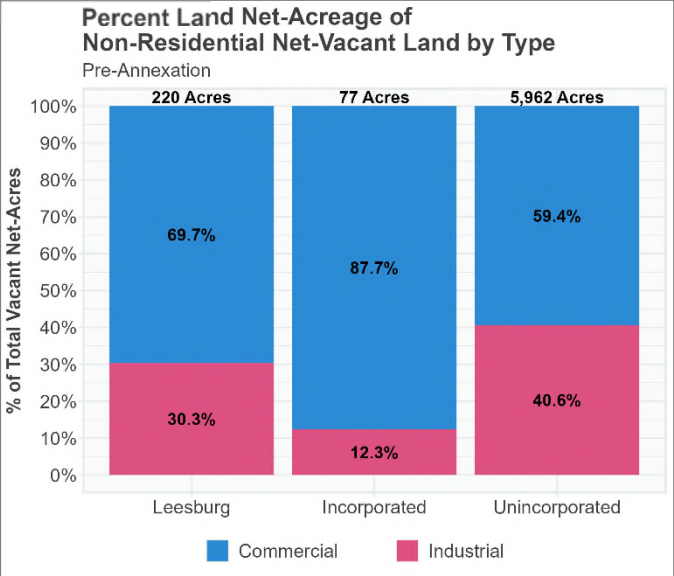


2. Non-Residential Net-Vacant Land

Similar to already developed acreage patterns, commercially developable land outweighs industrially developable land in the Town of Leesburg (Figure 16). Among the 220 non-residential developable land acres in Leesburg, 153 acres are zoned for commercial development opportunities whereas 67 acres are zoned for industrial development opportunities. Even without annexation, substantial developable acreage is available for both commercial and industrial development opportunities.

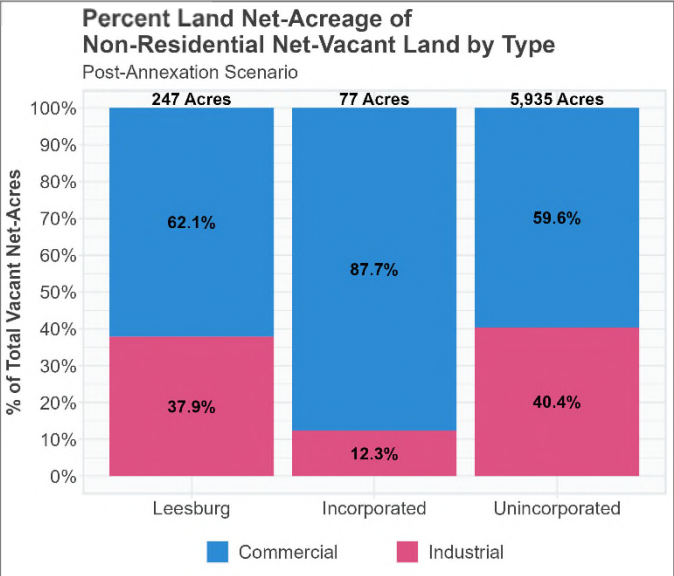
Under a hypothetical annexation scenario, the Town of Leesburg would only gain 27 acres of industrially developable land. This would bring the total to 247 non-residential developable land acres (Figure 17). Most of the land that would be annexed is developed or already slated to be developed (future Microsoft Data Center). Following a hypothetical annexation, the proportion of industrially developable land in Leesburg (37.9%) would near the proportion of industrially developable land in unincorporated Loudoun (40.4%).

Figure 16



Source: Loudoun County, RKG Associates, Inc., 2023

Figure 17



Source: Loudoun County, RKG Associates, Inc., 2023



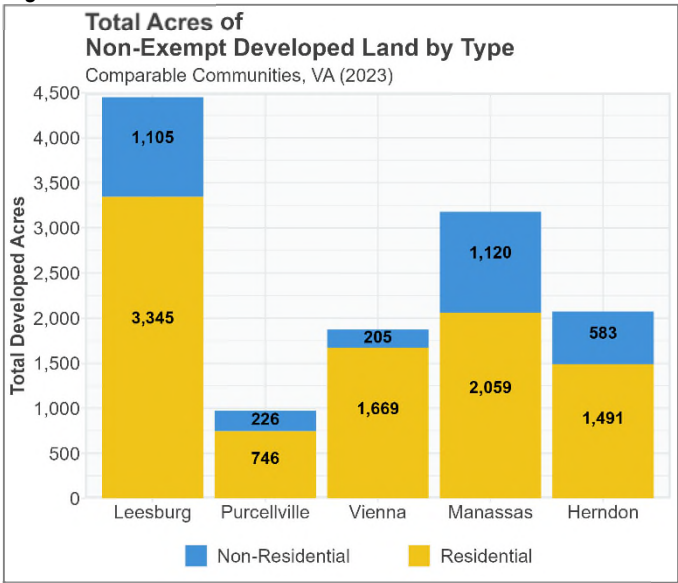
COMPARABLE COMMUNITY ANALYSIS

In addition to assessing land use within Loudoun County, RKG Associates assessed the non-residential building and land inventory of four communities that share developmental similarities to the Town of Leesburg and are considered comparable markets. The communities that were assessed include Purcellville (Loudoun County), Vienna (Fairfax County), Manassas (City of Manassas), and Herndon (Fairfax County).

A. Non-Exempt Development

Among the four comparable communities, residential uses constitute the greatest share of non-exempt developed parcels for each of them (Figure 18). These municipalities have traditionally served as bedroom communities for households seeking lower costs of living relative to areas closer to Washington D.C. While the D.C. economic sphere of influence extended outward, Manassas and Herndon eventually gained greater proportions of non-residential investment activities. As of 2023, Herndon and Manassas have evolved into hubs for government contractors, absorbing large-scale office developments (25,000 SF floor plates and above).

Figure 18



Source: Loudoun County, RKG Associates, Inc., 2023

In relation to all four comparable communities, higher proportions of non-residential developed land acreage are reported in Herndon and Manassas. This is largely due to the scale of their land-intensive office developments, which are integrated with extensive asphalt parking lots. Between Manassas and Herndon, Manassas reports higher levels of non-residential developed acreage. Unlike Herndon, Manassas has a significant industrial presence, containing land-intensive production-based facilities that capitalize due to the city's accessibility to I-66.





Beyond the allocation of land for residential and non-residential development, the data indicates that Leesburg (at 4,450 acres) is nearly 1.5 times larger than the next comparable community (Manassas at 3,179 acres). In fact, Leesburg has nearly the same amount of non-exempt developed land area as Purcellville, Vienna, and Herndon combined (at 4,920 acres).

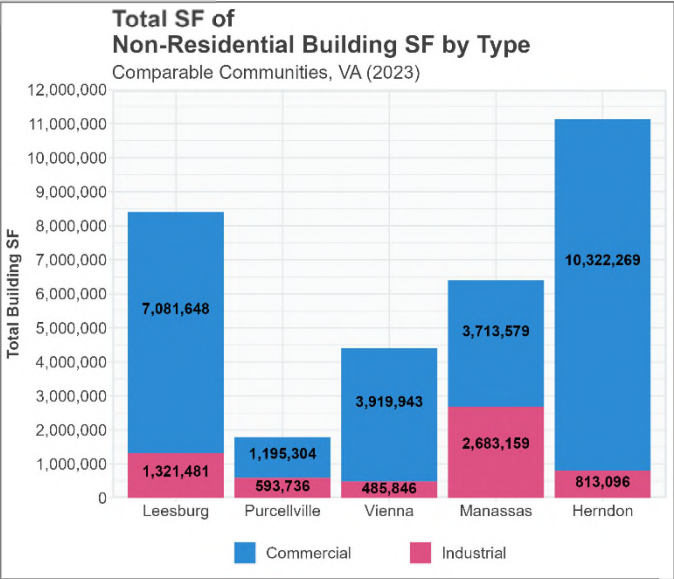
B. Non-Residential Development

While Herndon and Manassas report the largest distribution of developed acreage among non-residential uses, Leesburg and Herndon report the largest distribution of developed building space among non-residential uses (Figure 19). Leesburg’s large quantities of non-residential building space is attributed to its regional retail centers, such as the Village at Leesburg and Leesburg Premium Outlets. Herndon’s space distribution is largely reflective of corporate office spaces that edge its metro rail station. Predominantly developed in the 1980s and 1990s, these spaces are being considered for a large-scale redevelopment project into mixed-use activity center that incorporates a greater proportion of multifamily units.

C. Non-Residential Vacant Land Unincumbered with Environmental Constraints

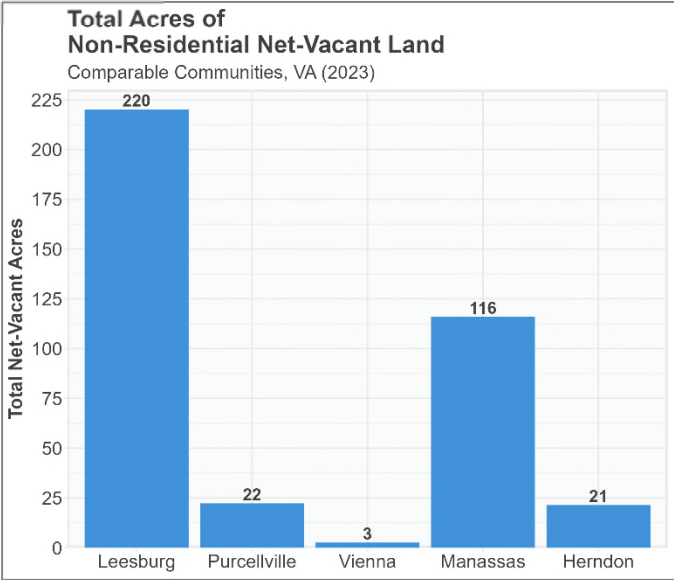
RKG Associates also analyzed the amount of non-residential vacant land in each of the comparable communities. The Town of Leesburg has substantially more undeveloped land than the other four comparable communities (Figure 20). In total, Leesburg has 220 acres of non-residentially zoned land without environmental concerns. In contrast, the

Figure 19



Source: Loudoun County, RKG Associates, Inc., 2023

Figure 20



Source: Loudoun County, RKG Associates, Inc., 2023

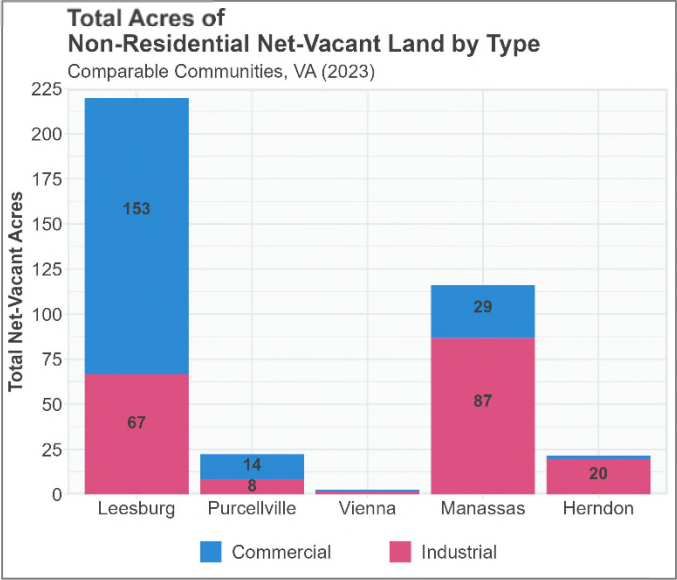


other four communities combine for approximately 162 vacant acres of vacant land zoned non-residential without environmental concerns. Leesburg’s 220 acres of non-residentially zoned vacant land without environmental concerns is 36% greater than the combined amount for all four comparable communities.

This is why redevelopment projects are considered essential, particularly in Vienna and Herndon. As the greater Washington DC metropolitan market continues to expand outward, Leesburg and Manassas are equipped to support future non-residential development opportunities. Due to its accessibility to I-66, Manassas is

more prone to attract industrial investments. Unlike Leesburg, more of Manassas’ non-residential zoned vacant land is designated for industrial uses (Figure 21). In contrast, Leesburg’s competitive advantage is attracting more supporting retail services as residential development continues in the northern and eastern part of Loudoun County. These market fundamentals justify why more of Leesburg’s non-residential vacant land is zoned for commercial uses rather than industrial uses.

Figure 21



Source: Loudoun County, RKG Associates, Inc., 2023

ANNEXATION ASSESSMENT

The proposed annexation encompasses approximately 440 acres of land bounded by the Dulles Greenway to the west, the Town of Leesburg boundary to the north, Leesburg Executive Airport to the east, and Shreve Mill Road to the south. The area, generally known as Compass Creek, is bisected by the Compass Creek Parkway. While most of the subject area is undeveloped at this time, only approximately 30 acres are vacant and not master planned. This parcel is located at the northern end of the subject area, bounded by the Dulles Greenway to the west, the Town boundary to the north, Compass Creek Parkway to the east, and the Exit 2B ramp from the Dulles Greenway to the south. The subject area also includes a Wal-Mart (approximately 21 acres), an At Home store (approximately 12 acres), and a data center campus being developed for Microsoft (approximately 375 acres). While only approximately 50 acres of the Microsoft campus has been developed, the entire site has been master planned for future data center development.



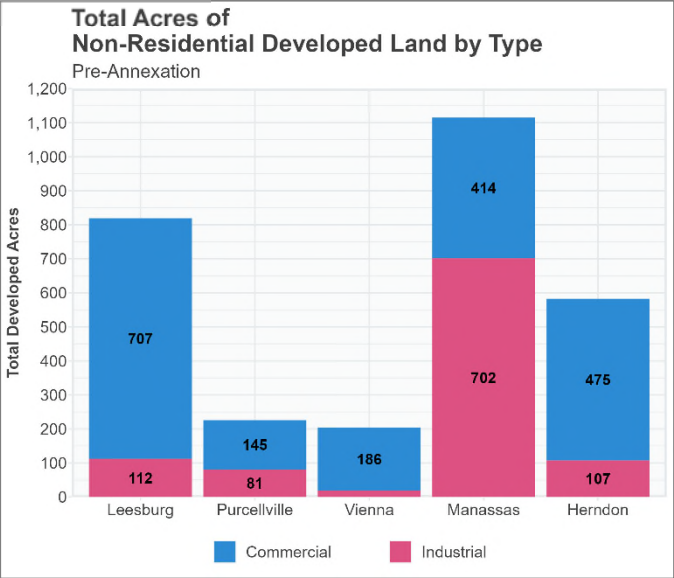


A. Non-Residential Developed Acreage

Leesburg has the most commercially developed land and the second most non-residential developed land overall (Figure 22) relative to the comparable Northern Virginia municipalities considered in this analysis. Only the City of Manassas, located off of Interstate 66, has more developed non-residential acreage than Leesburg. The towns of Herndon, Purcellville, and Vienna have substantially less non-residential development.

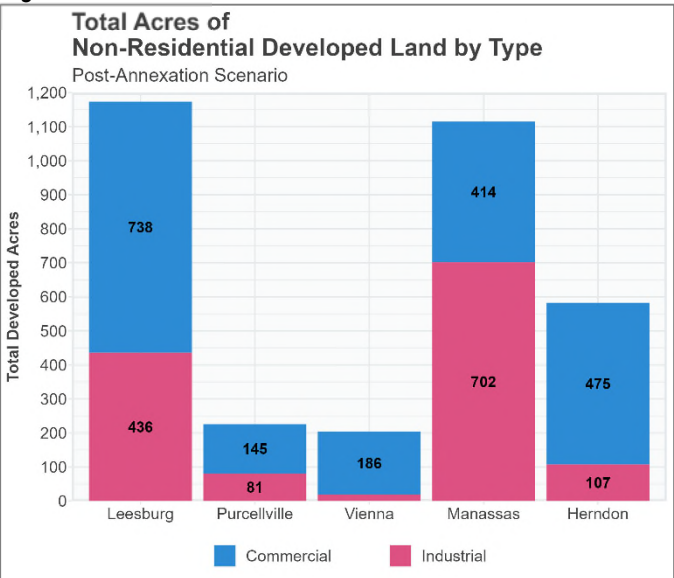
If the annexation is completed, Leesburg would have the highest concentration of non-residential development of the comparable Northern Virginia communities. Adding the future Microsoft data center campus would increase Leesburg’s industrial concentration by more than 300% (Figure 23). In total, the Town would have roughly 1,175 acres of developed non-residential land, nearly 60 acres more than the total for the City of Manassas.

Figure 22



Source: Loudoun County, RKG Associates, Inc., 2023

Figure 23



Source: Loudoun County, RKG Associates, Inc., 2023

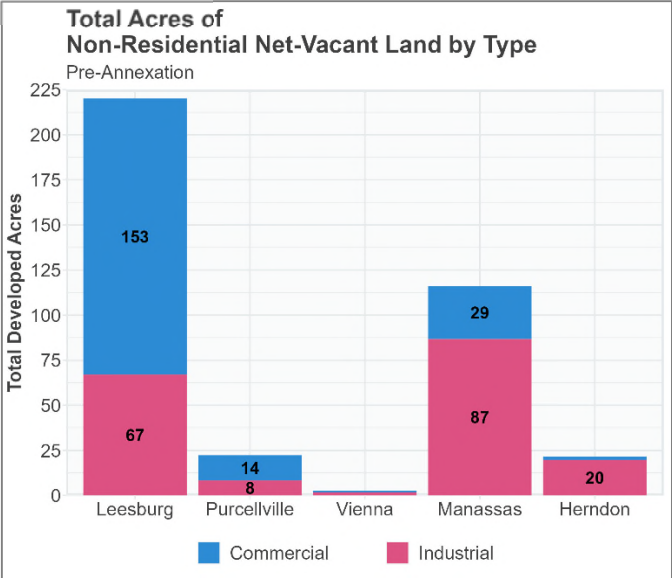


B. Non-Residential Net-Vacant Land

As noted earlier, Leesburg already has the largest inventory of developable land currently zoned for non-residential use (Figure 24). The Town’s 220 acres of developable land zoned for commercial and industrial use is almost double the next highest total in the City of Manassas (116 developable acres). In contrast, Purcellville, Herndon, and Vienna combine for less than 50 acres of developable land zoned for non-residential use.

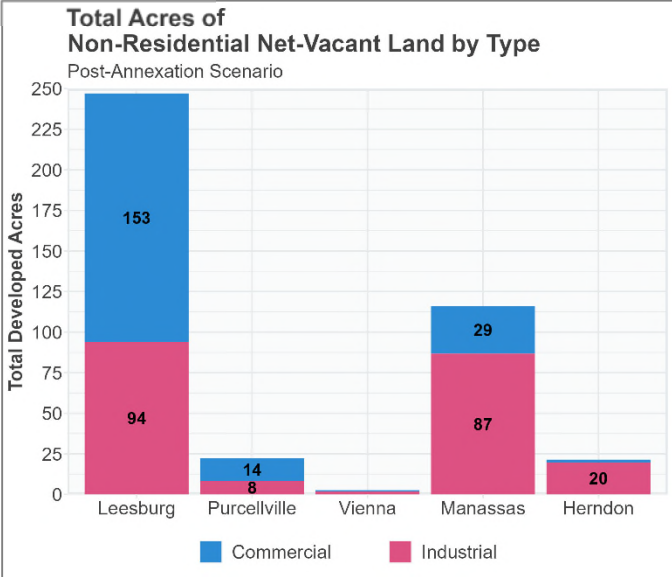
If the proposed annexation were approved, the Town of Leesburg would gain 27 acres of developable land currently zoned for industrial use (within unincorporated Loudoun County). This would bring the Town’s total developable land zoned for industrial use to 94 acres, exceeding the City of Manassas total (Figure 25).

Figure 24



Source: Loudoun County, RKG Associates, Inc., 2023

Figure 25



Source: Loudoun County, RKG Associates, Inc., 2023



REAL ESTATE MARKET ANALYSIS

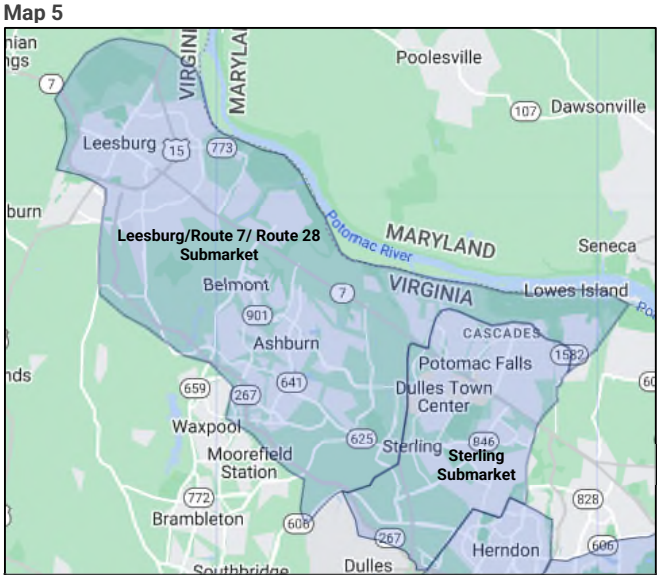
RKG Associates assessed the primary non-residential markets to understand their development viability in Loudoun County, and specifically the Town of Leesburg. The following narrative details RKG’s research integrated with feedback provided through a series of interviews with local real estate professionals (e.g., developers and real estate brokers). Ultimately, this analysis intended to better understand market prospects in the Town of Leesburg and unincorporated Loudoun County.

A. Office Market

RKG obtained data on office market trends for the 2012-2022 period from REIS, a leading provider of commercial real estate market information. The market study area consists of one retail submarket defined by REIS (Map 5), classified as the Leesburg/Route 7/Route 28 Corridor. The market in Loudoun County, along with its incorporated municipalities, tracks closely to the Leesburg/Route 7/Route 28 Corridor.

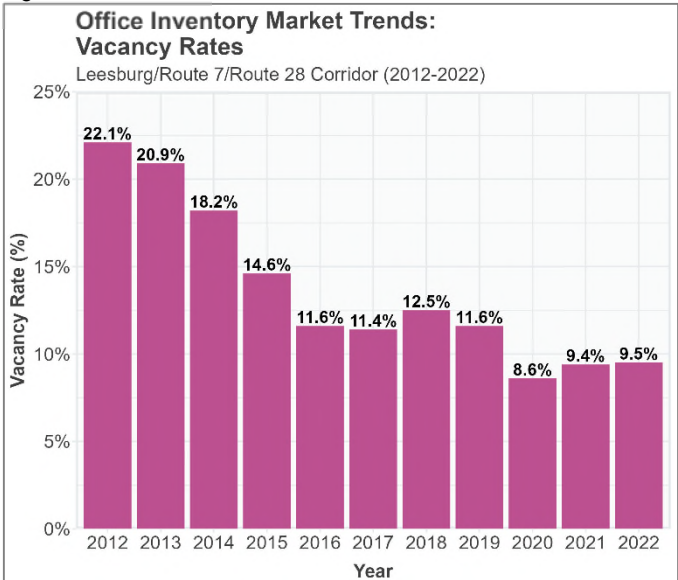
1. Vacancies

In the submarket, vacancy rates have been declining over the previous decade (Figure 26). The trend reflects an upward demand for office spaces in Loudoun County, driven by Northern Virginia’s rapidly expanding marketplace. Most of the increases in leasing activities result from space conversions rather than new construction. REIS estimates that nearly 85% of inventory expansions among leasable spaces were conversions from other use types; Especially, light industrial/flex spaces and



Source: REIS, RKG Associates, Inc., 2023

Figure 26



Source: REIS, RKG Associates, Inc., 2023



single-family homes. Home conversions to office use is a common practice in the Town of Leesburg, able to accommodate the operational requirements of smaller-scale professional-services firms (legal, engineering etc.). Many of these operations demand spaces in Leesburg, willing to pay a premium on a price per square-foot-basis to locate near courthouse facilities.

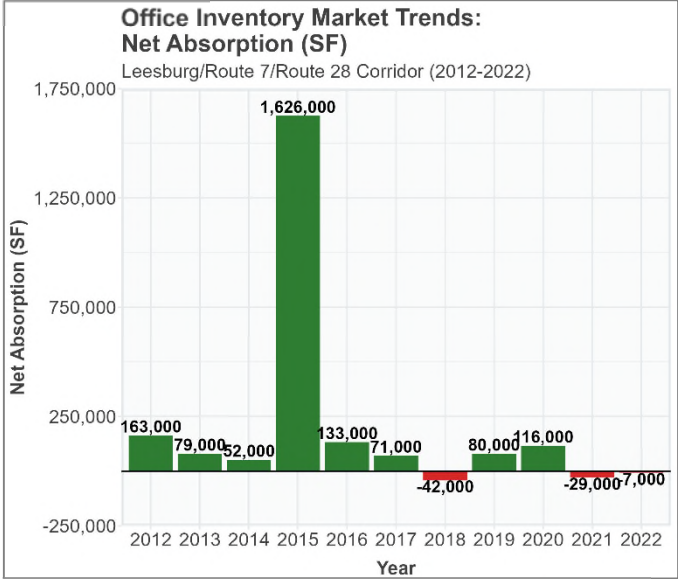
2. Absorption Rates

While vacancy rates declined, the submarket’s strong performance is reinforced by several years of positive absorption throughout the previous decade (Figure 27). As the COVID-19 pandemic unfolded, however, negative absorption rates were fueled by shifts in workplace preferences. Many tenants discontinued their leases, favoring work-from-home models that reduced their demand for office spaces. Most businesses are beginning to implement hybrid-working models, projected to retain physical space but on a smaller scale. This could include downsizing from ‘mega-spaces’ that are more common in unincorporated areas in the eastern part of Loudoun County. Considering these trends, Leesburg’s office marketplace could become more attractive to businesses seeking to scale down from larger, corporate-scale office spaces in Ashburn or Sterling.

3. Lease Rents

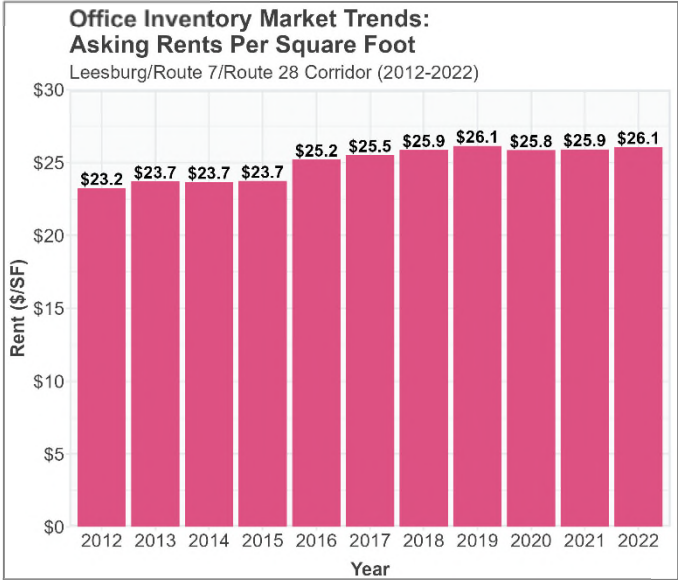
As demand for office spaces exceeded supply, increased competition culminated in consistent increases among asking rents in the submarket (Figure 28). The upward trajectory among asking rents

Figure 27



Source: REIS, RKG Associates, Inc., 2023

Figure 28



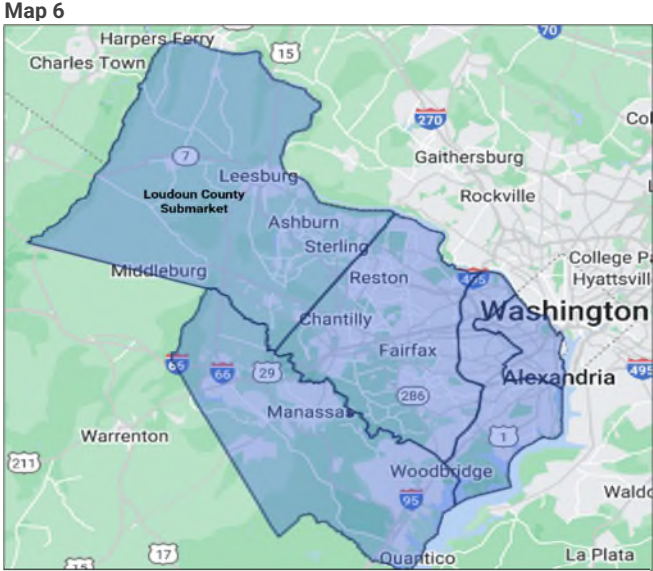
Source: REIS, RKG Associates, Inc., 2023



differentiates from many suburban marketplaces nationwide. Many businesses are relocating to city centers, capitalizing on proximity to a young skilled workforce and key services such as transit accessibility. Due to the silver line expansion to Loudoun County and county-sponsored policies that support mixed-use development centers, demand for office spaces is projected to rise. And if so, asking rents will too.

B. Retail Market

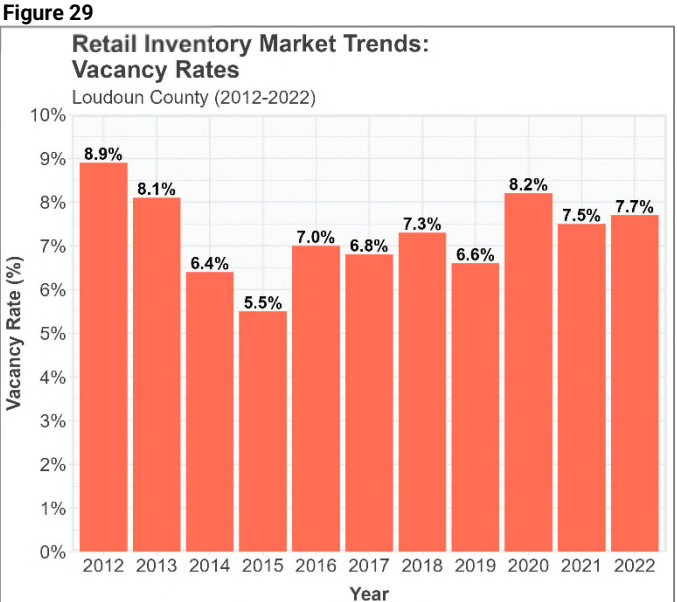
RKG obtained data on retail market trends for the 2012-2022 period from REIS. The market study area consists of one retail submarket defined by REIS (Map 6), classified as Loudoun County. As illustrated in the map, the submarket includes all of Loudoun County. Loudoun County’s submarket continues to diversify in scope and scale. While neighborhood retail outlets were built to residential subdivisions, new forms of retail outlets are beginning to unfold; particularly town-center style developments fueled by demand for walkable built environments that offer connectivity to services and amenities.



Source: REIS, RKG Associates, Inc., 2023

1. Vacancies:

In the submarket, vacancy rates declined but then began to trend upwards (Figure 29). This expansions over the previous decade. The trend reflects an upward demand for ancillary services fueled by expansions to the county’s consumer base. This includes retail strip centers anchored by grocery stores. Despite the rise of e-commerce, vacancies have remained relatively low compared to many suburban marketplaces across the country. While vacancies



Source: REIS, RKG Associates, Inc., 2023

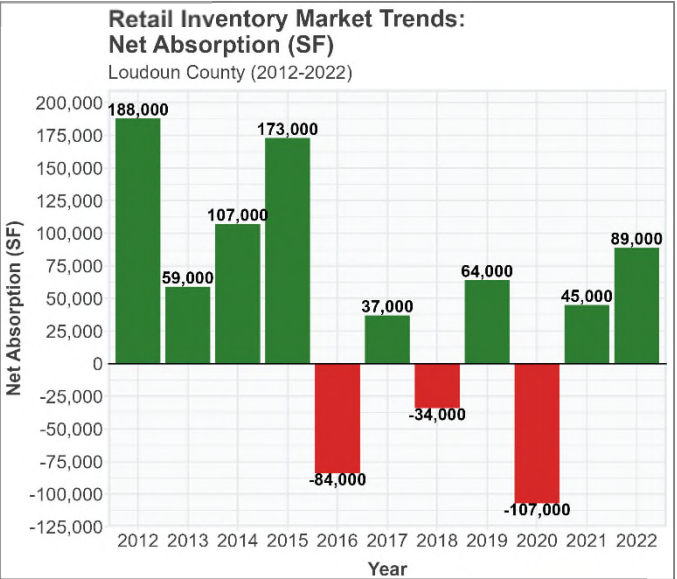


spiked in 2020, due to social-distancing restrictions and fewer consumer spending patterns in brick-and-mortar retailers, the recovery was quick.

2. Absorption Rates

Positive absorption rates occurred throughout the previous decade (Figure 30). Largely, a consequence of an expanding household and workforce base. Although the market continues to adjust to evolving consumer preferences towards different forms of retail outlets- e-commerce, mixed-use activity centers. Analogous to large-scale suburban office spaces, Loudoun County’s traditional retail inventory is becoming increasingly outdated; While e-commerce remains a common outlet, investments towards mixed-use activity centers have catered to an increasing consumer demand for retailers located within walkable environments. Transit-Oriented-Development (TOD) policies are supported in wake of WMATA expansions to the county, mixed-use activity centers are likely to follow.

Figure 30

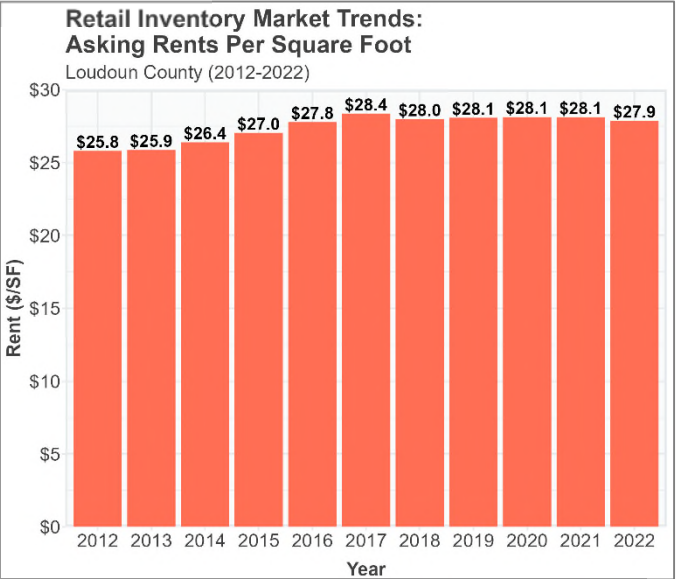


Source: REIS, RKG Associates, Inc., 2023

3. Lease Rents

Prior to 2018, rents escalated at a steady pace as competition ramped up due to expansions to the county’s consumer base (Figure 31). Evolving consumer preferences however and the pandemic flattened asking rents. There is much uncertainty within Loudoun County and various suburban marketplaces, on whether traditional inventory will attract tenants’ overtime. Supply continues to be built despite a slowdown in demand for ‘brick

Figure 31



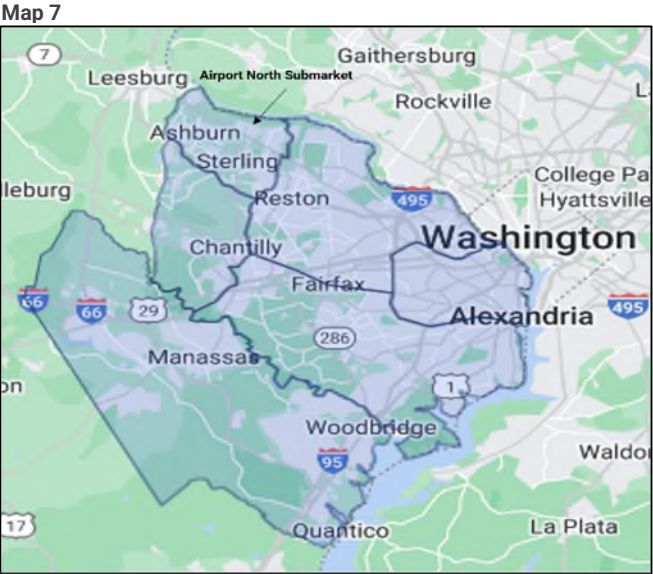
Source: REIS, RKG Associates, Inc., 2023



and mortar’ shopping experiences. Brokers suggest that demand will continue to remain flat for a few years but pick up if housing continues to be built.

C. Industrial Market

RKG obtained data on industrial market trends for the 2012-2022 period from REIS. The market study area is mostly around Dulles Airport along VA-7 (Map 7). Classified as the Airport North submarket, the submarket stops before the Town of Leesburg. This is largely due to Leesburg having a minimal industrial base.

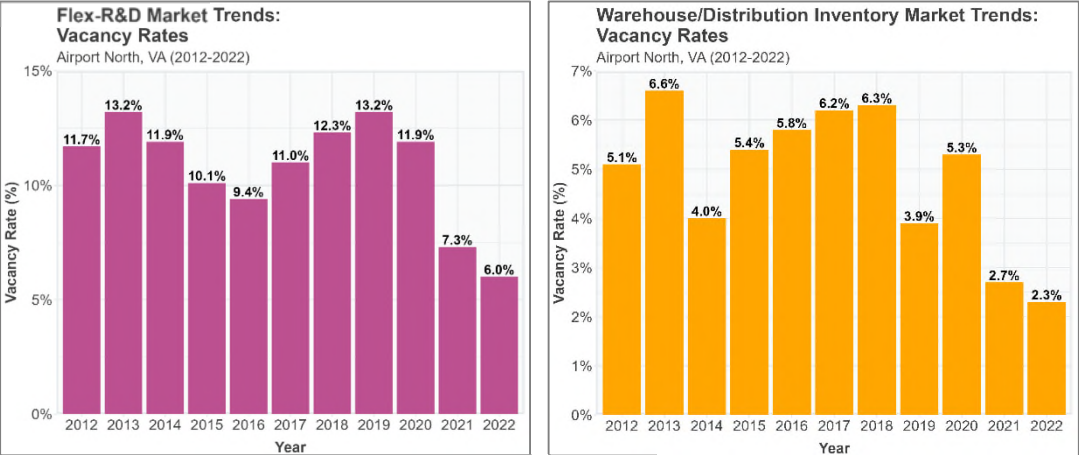


Source: REIS, RKG Associates, Inc., 2023

1. Vacancies

In the submarket, vacancy rates among flex spaces and warehouse spaces experienced fluctuations but then dropped to unprecedented levels. The pent-up demand was able to keep up with rapid construction growth, stemming from speculative developments. Unincorporated Loudoun County is also starting to capture employment expansions from R&D operations which adds to the rate of occupancies. Demand is also stemming from multiple sectors, especially retail and office tenants (Figure 32)

Figure 32

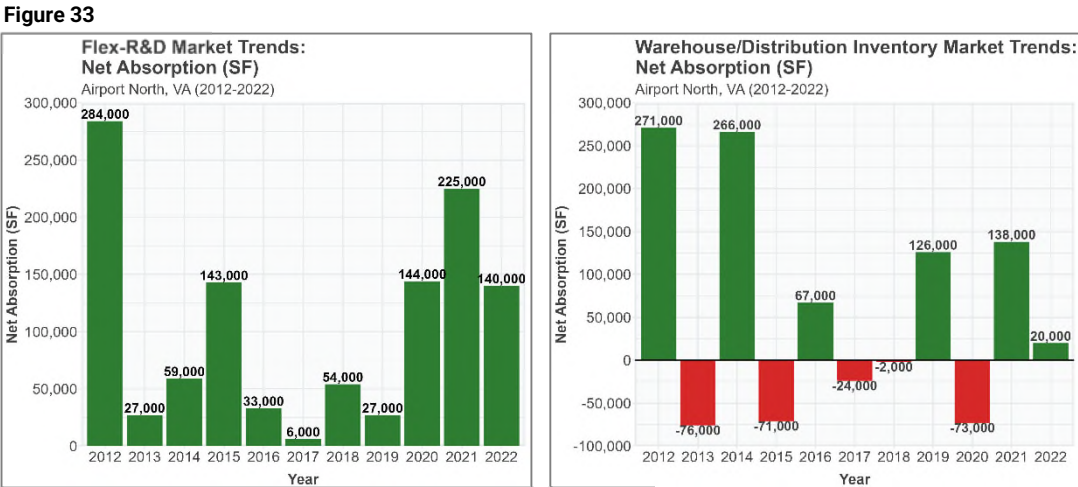


Source: REIS, RKG Associates, Inc., 2023



2. Absorption Rates

Specifically for the Flex-R&D marketplace, positive absorption rates were consistent throughout the previous decade (Figure 33). The high absorption rates are attributed to multi-sectoral demand shifts. Office and retail tenants are attracted to light industrial/flex spaces due to lower asking rents than traditional spaces. Given that e-commerce has decreased the need for a physical ‘brick and mortar’ presence, retail tenants increasingly occupy light industrial spaces for showrooms, inventory storage, and distribution centers. While negative absorption rates have occurred in warehouse/distribution facilities, local brokers suggest this could be a conversion to a commercial use-type. Anecdotal data suggests there is a substantial unmet demand for light industrial/flex spaces and warehouse/distribution facilities but stemming from commercial users and not traditional industrial users.



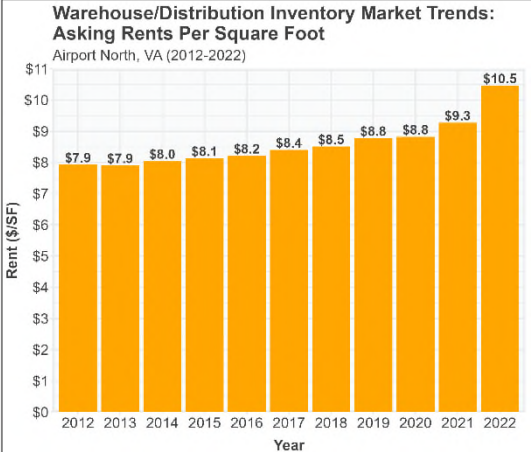
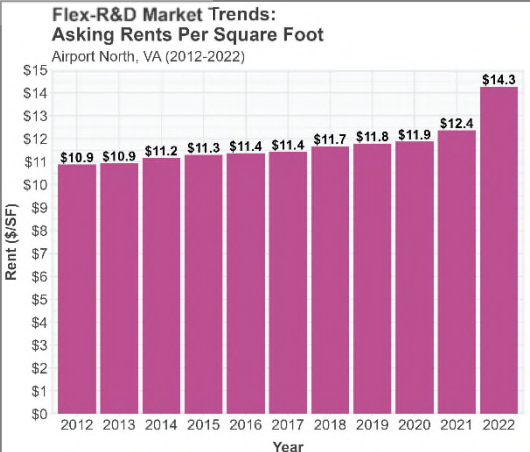
Source: REIS, RKG Associates, Inc., 2023

3. Lease Rents

The high demand for both light industrial/flex spaces and warehouse/distribution facilities combined with the regional shortage of traditional warehouse/distribution, flex, and traditional industrial space have led to consistent increases among asking rents (Figure 34). While demand is high, development in Loudoun County of these more traditional light industrial uses have been limited. At a base level, land zoned for industrial use is substantially more valuable for data center development. As a result, the larger parcels are more likely to be consumed for this development. More strategically, those smaller industrial spaces being added (particularly in Leesburg) are attracting office and retail users who may be willing to pay more than a traditional industrial user. Thus, continuing escalation of asking rents within the Airport North submarket.



Figure-34



Source: REIS, RKG Associates, Inc., 2023



Loudoun County, Virginia

Annexation Analysis

Development Trends, Non-Residential Market Analysis, Comparables Analysis

May 16, 2023

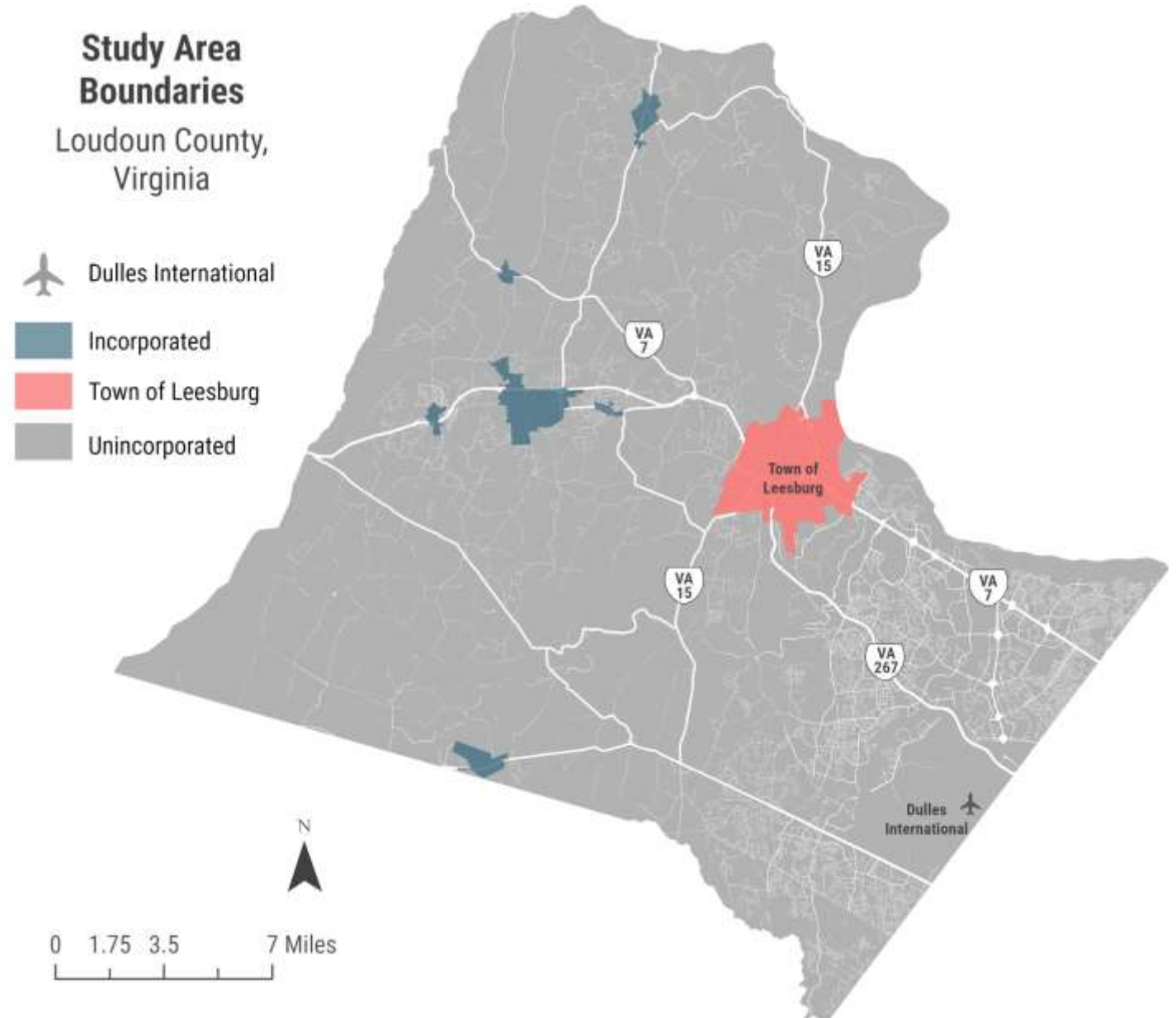
Presented by Kyle Talente, President
RKG Associates, Inc.

Loudoun County Analysis

Assessment of Taxable Land and Buildings in Leesburg, Incorporated Areas,
and Unincorporated Areas

Study Area Boundaries

- Analyses focused on Leesburg, unincorporated areas, and incorporated areas
- Incorporated areas include Purcellville, Hamilton, Middelburg, Hillsboro, Round Hill, Lovettsville
- Primary analyses included
 - Comparison between Residential vs. Non-Residential Land Uses
 - Overview of Commercial and Industrial Land Uses
 - Overview of Commercial Subtypes (e.g., Retail, Office)
 - Overview of Industrial Subtypes (e.g., Warehouse/Distribution)
 - Non-Residential Market Assessment



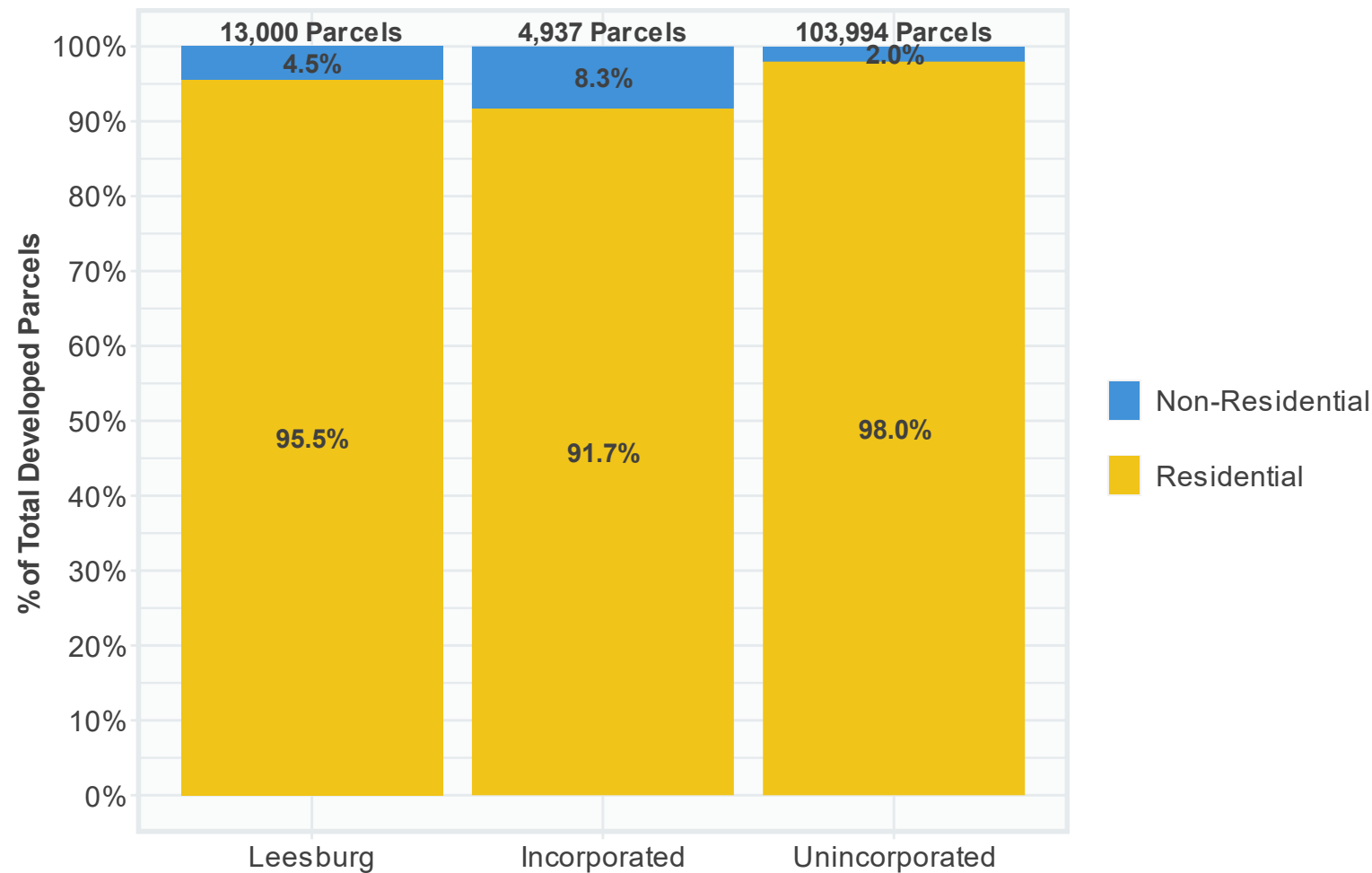
Non-Exempt Parcels

Relative Proportions Between Non-Residential and Residential Uses in Each Study Area

Share of Total Non-Exempt Developed Parcels by Type

- Loudoun County's land uses are predominately residential
 - Single-family dwellings comprise most residential uses on a per-parcel basis
 - Reflects County's emphasis on home-ownership opportunities
- Substantially smaller share among non-residential uses
 - Historically, Loudoun County has been a suburban bedroom community with a cluster of data centers (due to infrastructure investments)
 - More recently, the expansion of the DMV economy has created opportunities to catalyze new non-residential and mixed use expansions

Percent Share of Non-Residential Developed Parcels by Type
Loudoun County, VA (2023)



Percent Acreage of Non-Exempt Developed Land by Type

- **Developed land acreage of Residential parcels exceeds Non-Residential Parcels**

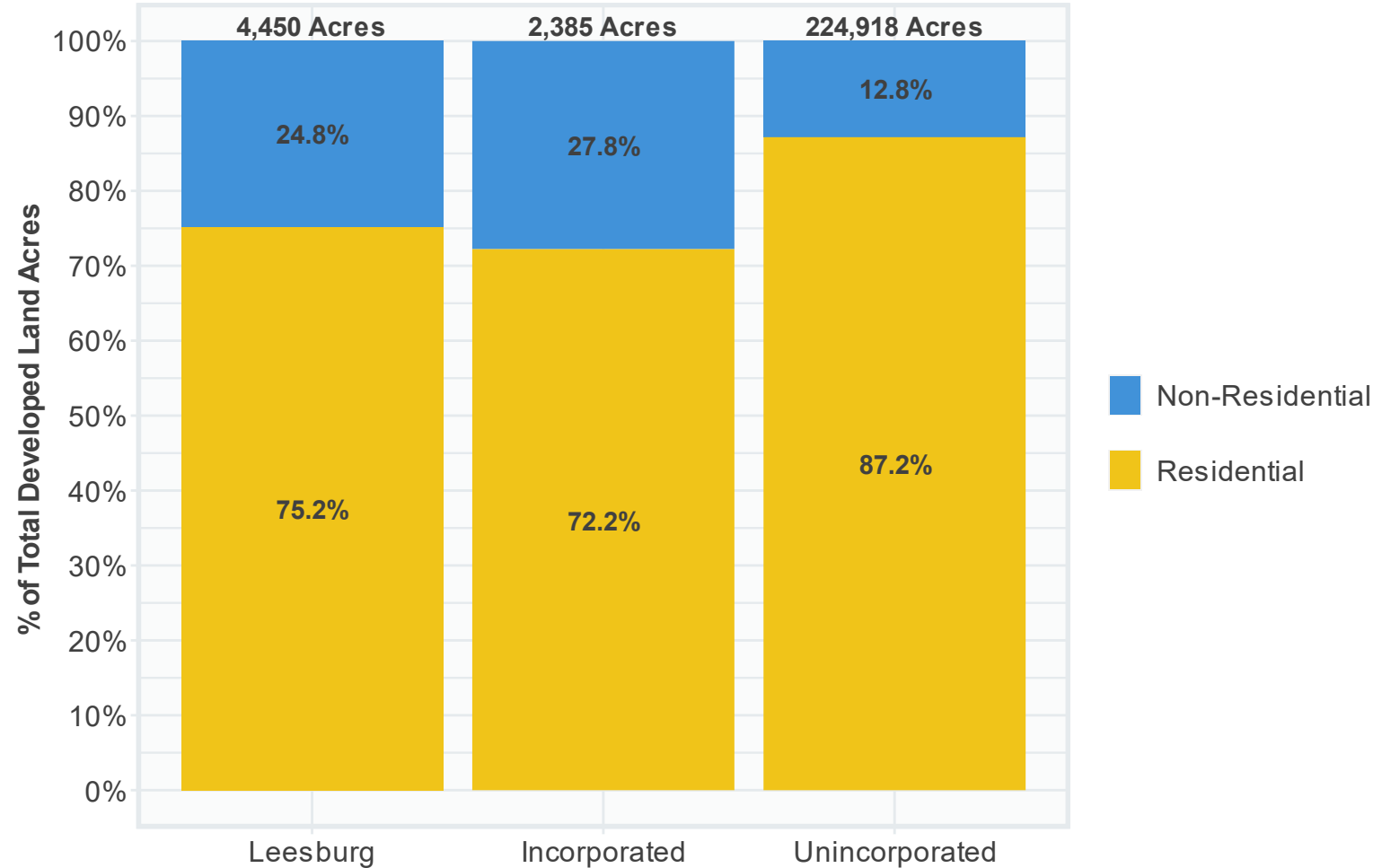
- Larger gaps in unincorporated areas reflects low-density zoning for residential uses (especially in Western and Southern Loudoun County)

- **Developed land acreage between use types more proportional in incorporated areas (including Leesburg)**

- Consistent with 'urbanesque' development patterns
- Reflects higher densities of commercial and/or industrial uses

Percent Land Acreage of Non-Exempt Developed Land by Type

Loudoun County, VA (2023)

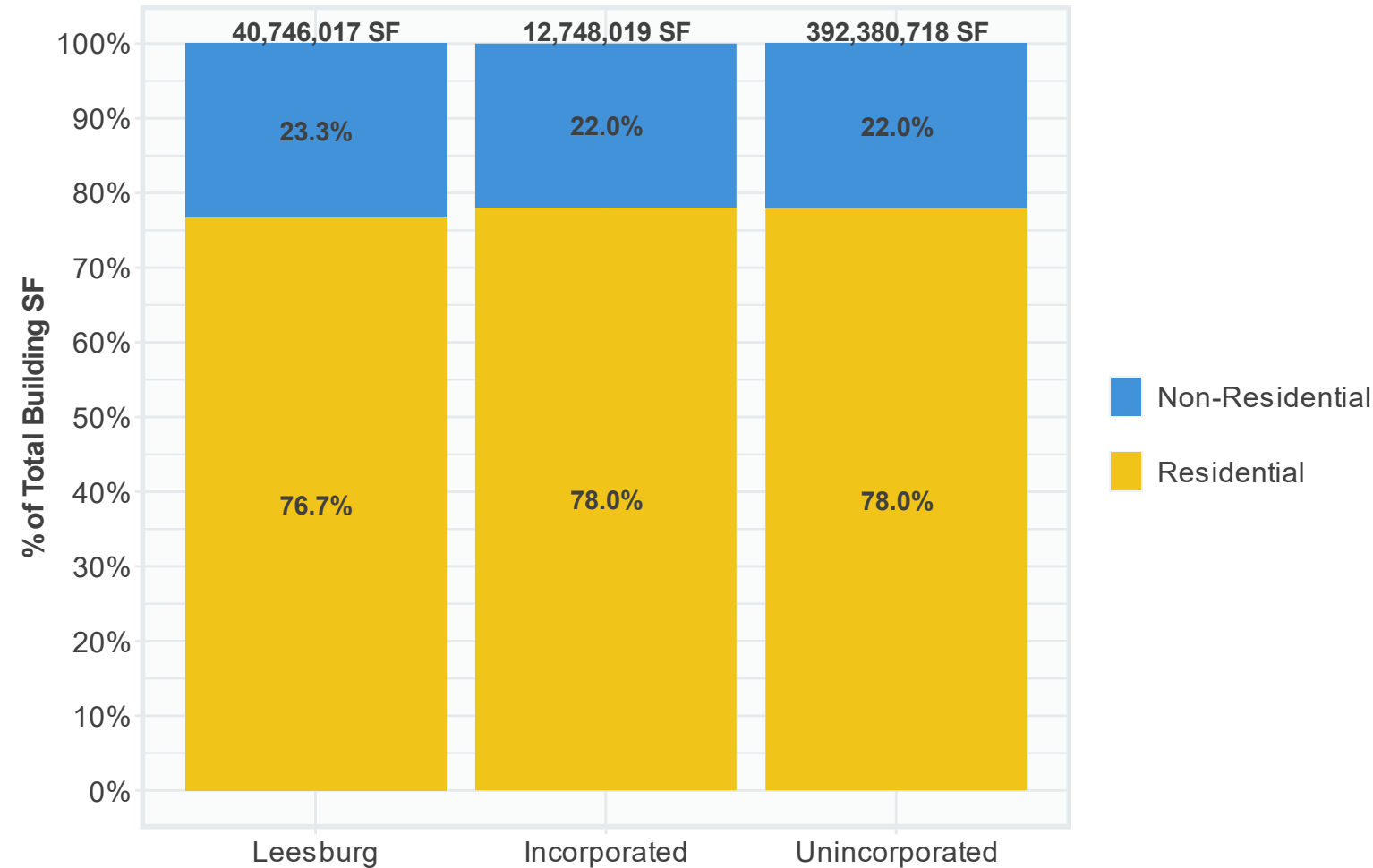


Percent Building SF of Total Non-Exempt Building SF by Type

- **Similar square footage percentages for the incorporated areas**
 - Unincorporated Loudoun has a higher concentration of larger non-residential buildings (e.g., data centers), increasing the ratio of non-residential to residential building square footage
- **Development scales and use types differ between study areas influencing percentages**
 - Especially, for non-residential developments
 - Smaller retail/office users in incorporated areas
 - Large-scale industrial users in unincorporated areas

Percent Building SF of Total Non-Exempt Building SF by Type

Loudoun County, VA (2023)

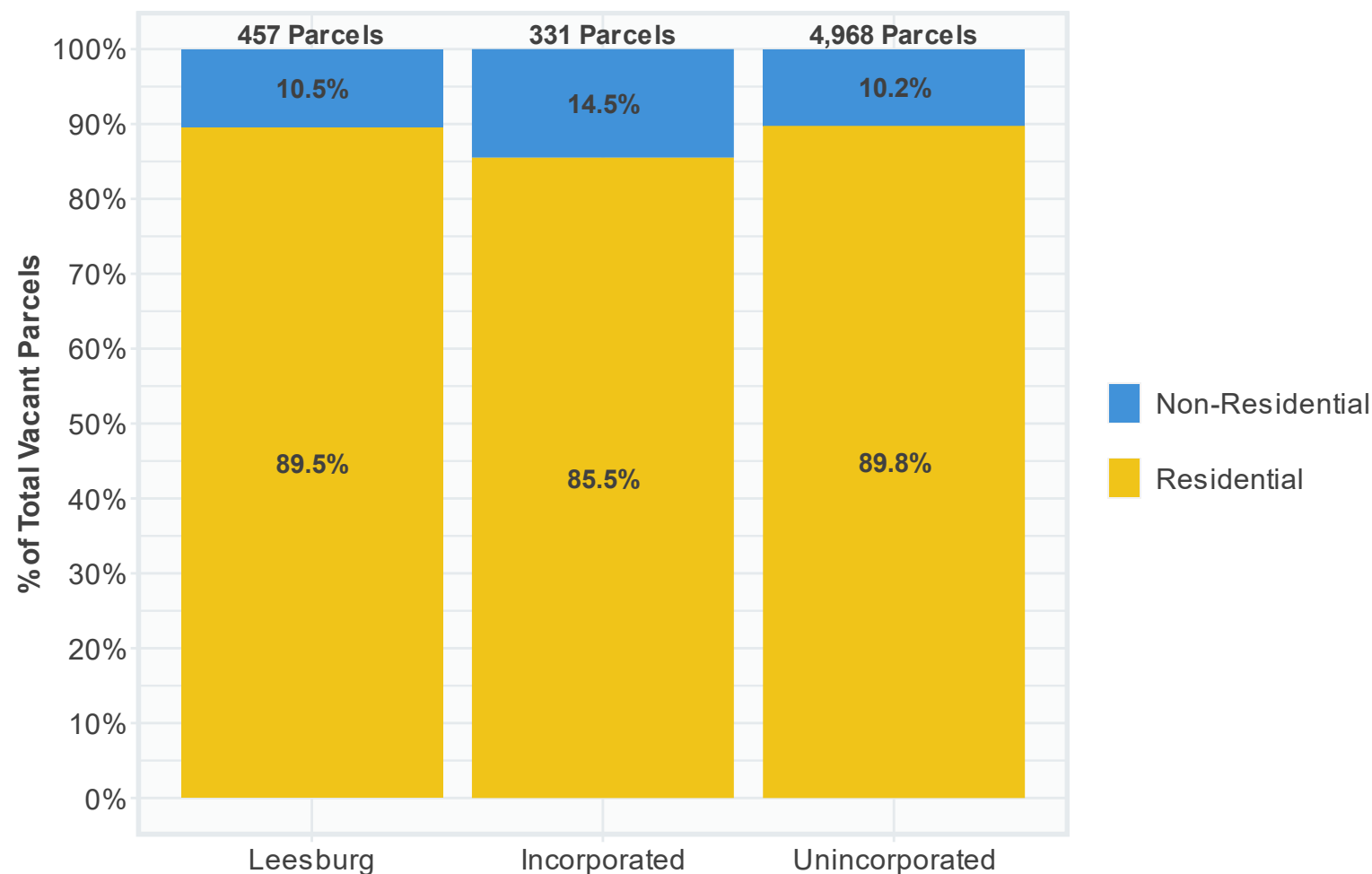


Share of Total Non-Exempt Vacant Parcels by Type

- **Most non-exempt remaining vacant parcels limited to residential uses**
 - And of these, substantial proportions allocated to rural residential uses (consumes roughly 60% of unincorporated parcels)
 - Severely limits potential for commercial/industrial opportunities & rezonings
- **Incorporated areas have greater share of vacant non-residential parcels**
 - Reflects concentration of smaller parcels in the incorporated parts of the county
 - Limited primarily to commercial/town-center style developments

Percent Share of Non-Exempt Vacant Parcels by Type

Loudoun County, VA (2023)

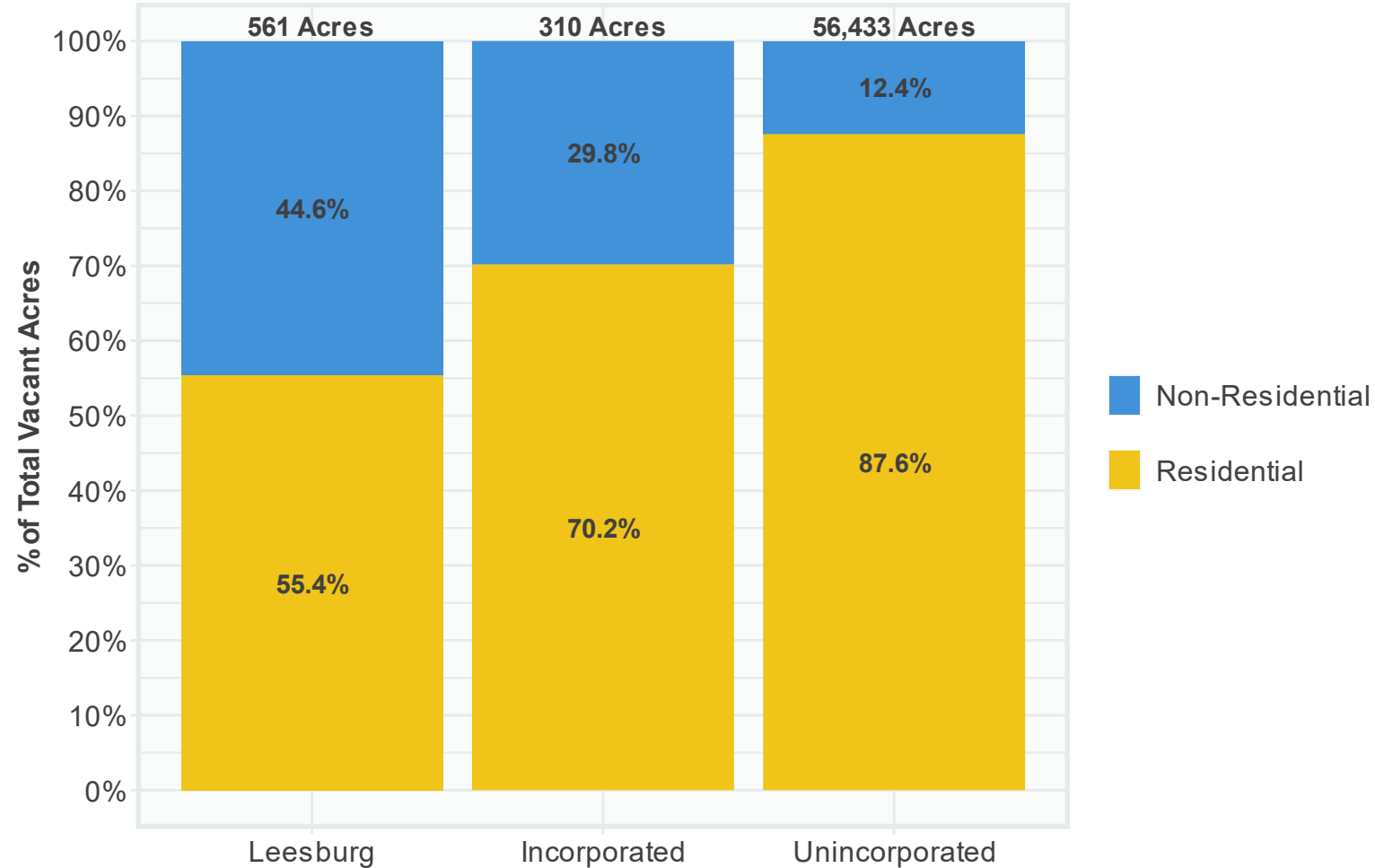


Percent Acreage of Non-Exempt Vacant Land by Type

- **Leesburg has the highest proportion of Non-Residential vacant land relative to other study areas**
 - Roughly 255 acres of non-residential vacant land
 - Mostly limited to commercial uses (e.g., retail, office)
 - Indicates relative demand difference for non-residential parcels

Percent Land Acreage of Non-Exempt Vacant Land by Type

Loudoun County, VA (2023)



Net-Acreage Methodology

- Areas in red represent development limitations—wetlands, slopes etc.
- Areas in green represent areas that do not face limitations
 - Analysis discovered that most vacant land parcels retained large areas of developable land

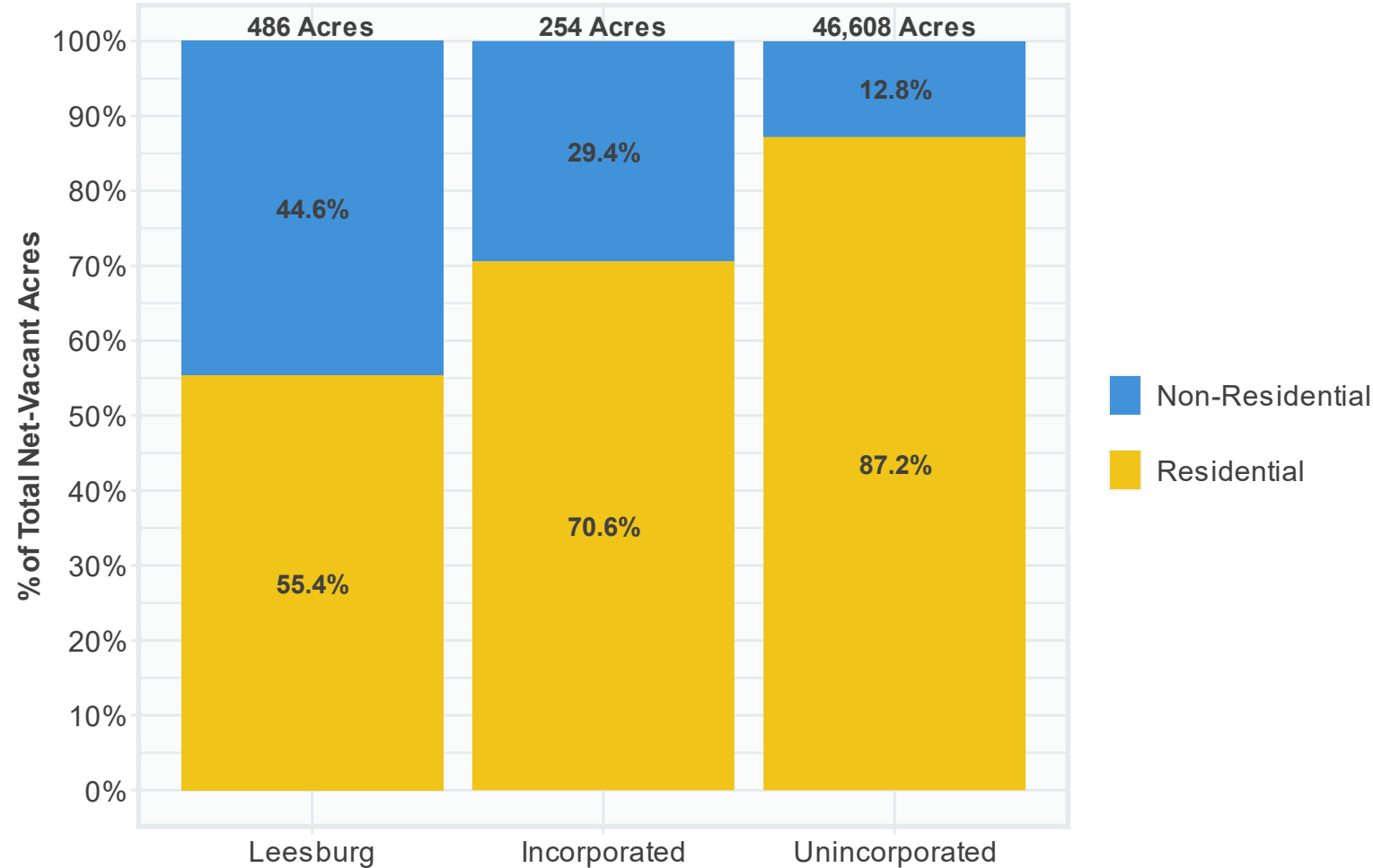


Percent Acreage of Non-Exempt Net-Vacant Land by Type

- **Vacant Parcels may be subjected to development limitations**
 - Wetlands
 - Steep slopes
- **Calculated net vacant acreages to determine developable land areas**
 - Removed areas of parcels subjected to above limitations
 - Despite removal, all study areas retain substantial developable land opportunities
 - Also, the ratio of land has not changed
- **Percentage loss of developable acres by study area**
 - Leesburg – 13.4%
 - Other Incorporated Areas – 18.1%
 - Unincorporated Loudoun – 17.4%

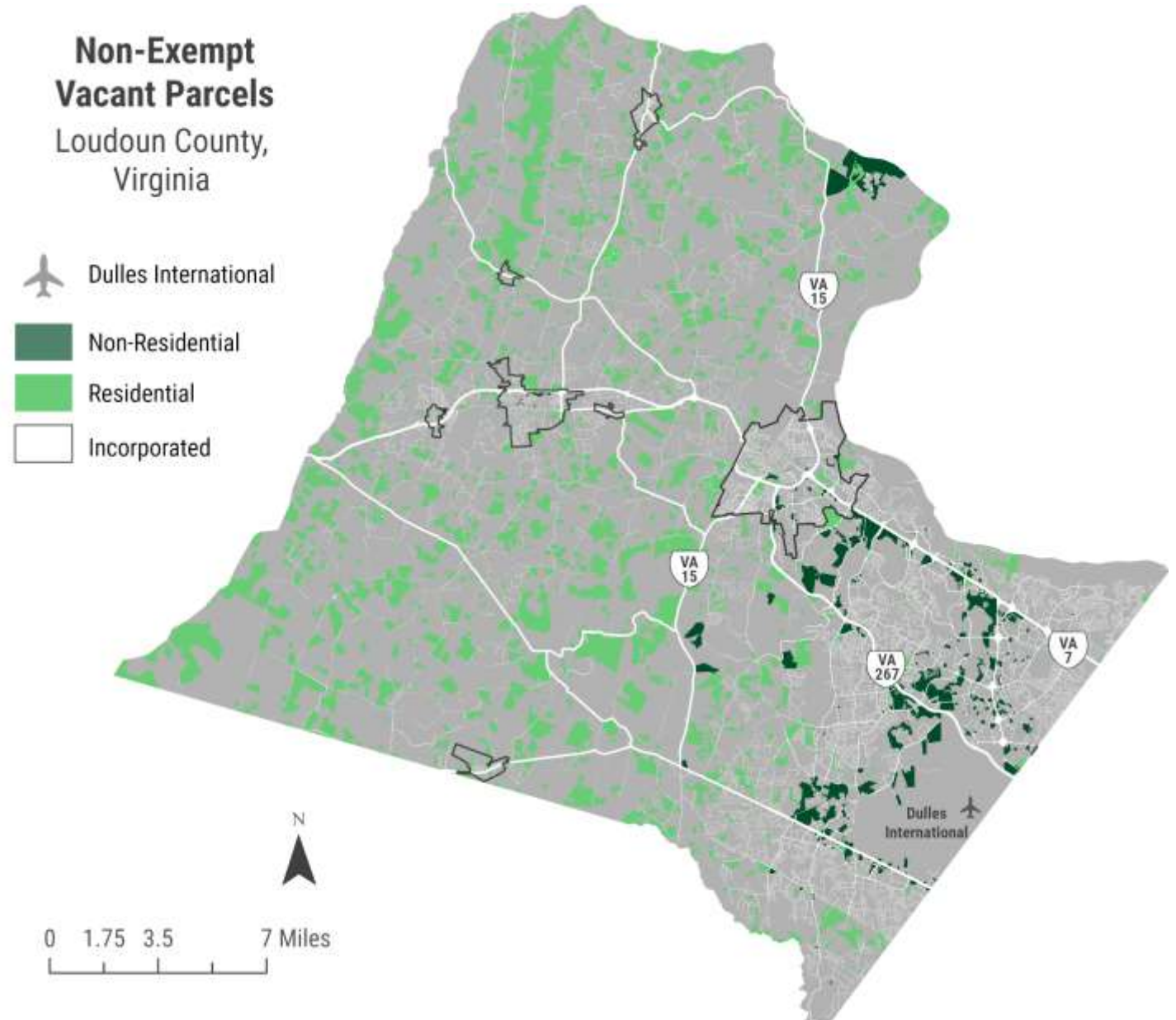
Percent Land Acreage of Non-Exempt Net-Vacant Land by Type

Loudoun County, VA (2023)



Distribution of Non-Exempt Vacant Land by Type

- **Non-residential development is clustered almost exclusively east of VA-15**
 - Concentrated near Dulles Airport
 - Incorporated areas west of VA-15 have small amounts
 - Consistent with development of roadways and infrastructure
- **Leesburg's development levels reflect a 'transition area' between the county's developed east and exurban west**
 - Located in the 'transition area' to almost exclusively residential development
 - Serves as a commercial hub for northern and western Loudoun County



Non-Residential Parcels

Relative Proportions Between Commercial and Industrial Uses in Each Study Area

Share of Total Non-Residential Developed Parcels by Type

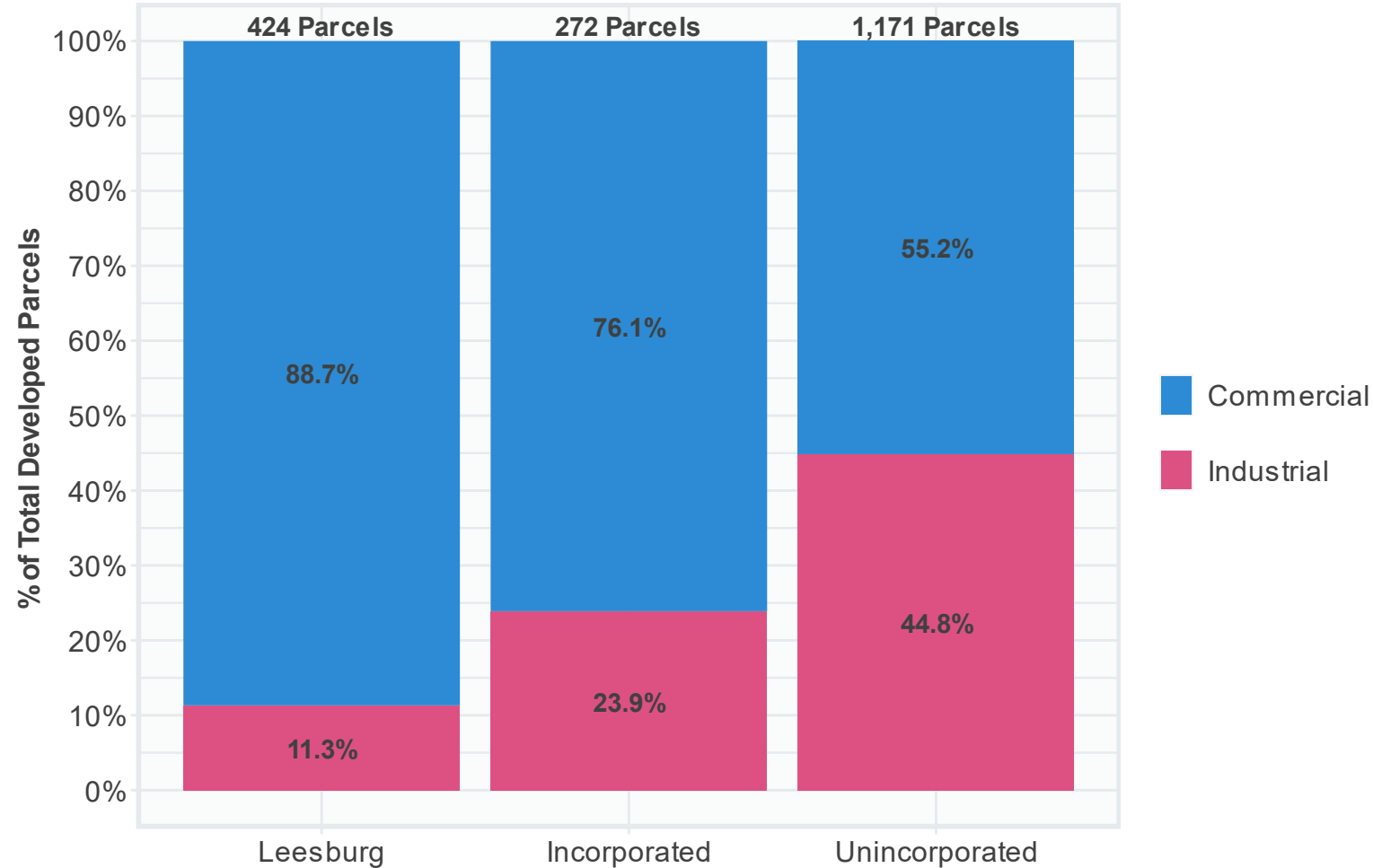
- **Non-residential parcels broken down into commercial or industrial uses**

- *Commercial:* Office and Retail Uses
- *Industrial:* Automotive Uses, Light Industrial Uses, Heavy/Medium Industrial, Data Centers, Warehouse/Distribution
- Excludes uses that could be taxable (e.g., private recreation center, commercial ag., etc.)

- **Greater weight of commercial uses in Leesburg/Incorporated areas**

- Serves as shopping/dining hub for residential areas north and west
- Land limitations for various industrial users (e.g., Heavy/Medium Industrial, Data Centers)
- Infrastructure constraints (e.g., fiber connectivity for data centers)
- Reduced proximity to major transportation routes and employment centers

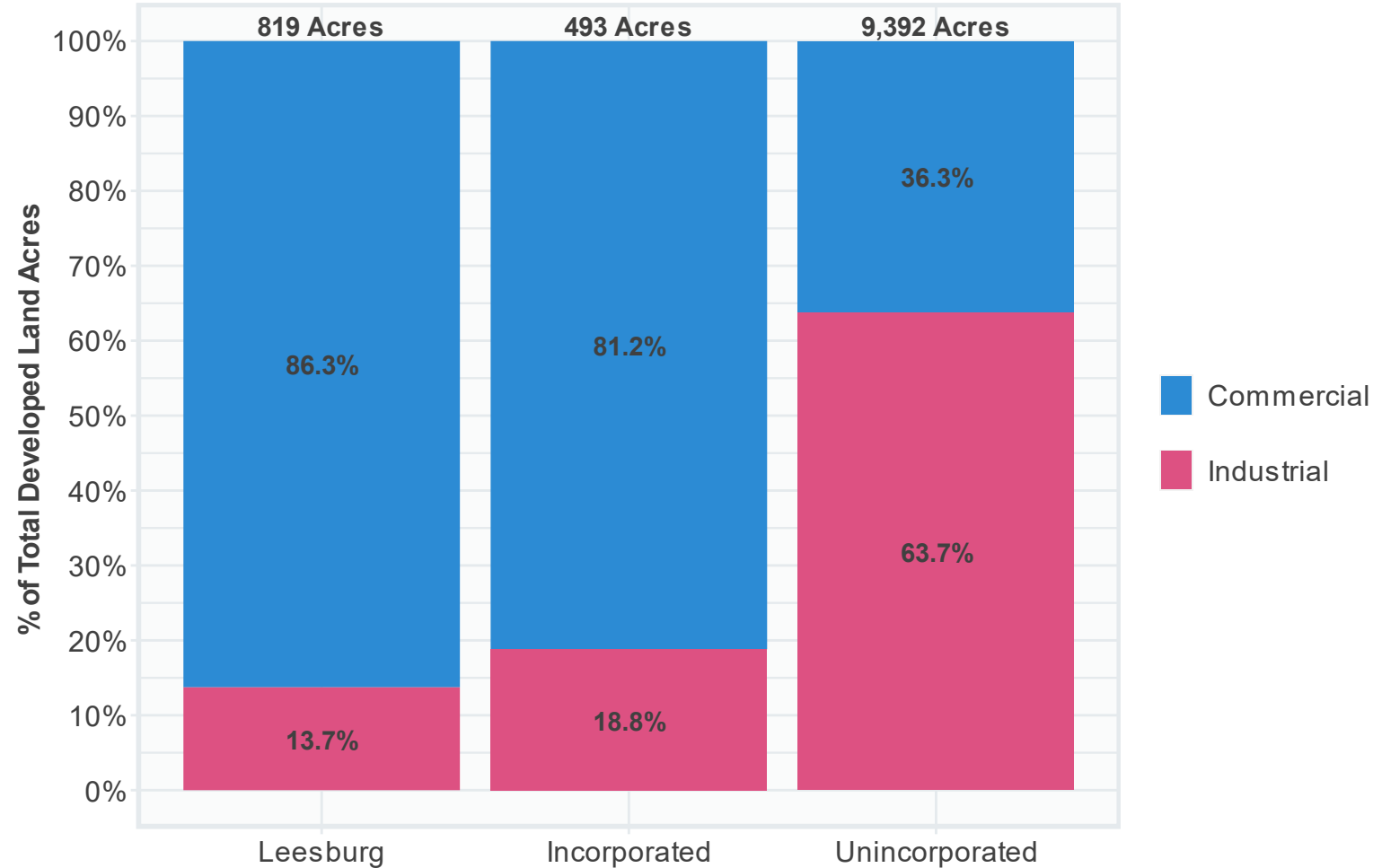
Percent Share of Non-Residential Developed Parcels by Type
Loudoun County, VA (2023)



Percent Acreage of Non-Residential Developed Land by Type

- **Greater proportions of commercial land acreage in Leesburg/commercial areas**
 - Leesburg proportions could be inflated due to larger-scale shopping centers near eastern boundaries (e.g., Leesburg Premium Outlets)
 - Higher proportions of lifestyle destinations/town-center style developments (historic main streets in Purcellville/Middleburg)
 - Growing presence in unincorporated areas, however (along Route-7)
- **Unincorporated areas report greater proportions of industrial acreage**
 - Land availability for Medium/Heavy industrial uses (e.g., quarry/extraction operations)
 - Data centers consume large plots of land (avg. parcel size: 30 Acres)

Percent Land Acreage of Non-Residential Developed Land by Type
Loudoun County, VA (2023)

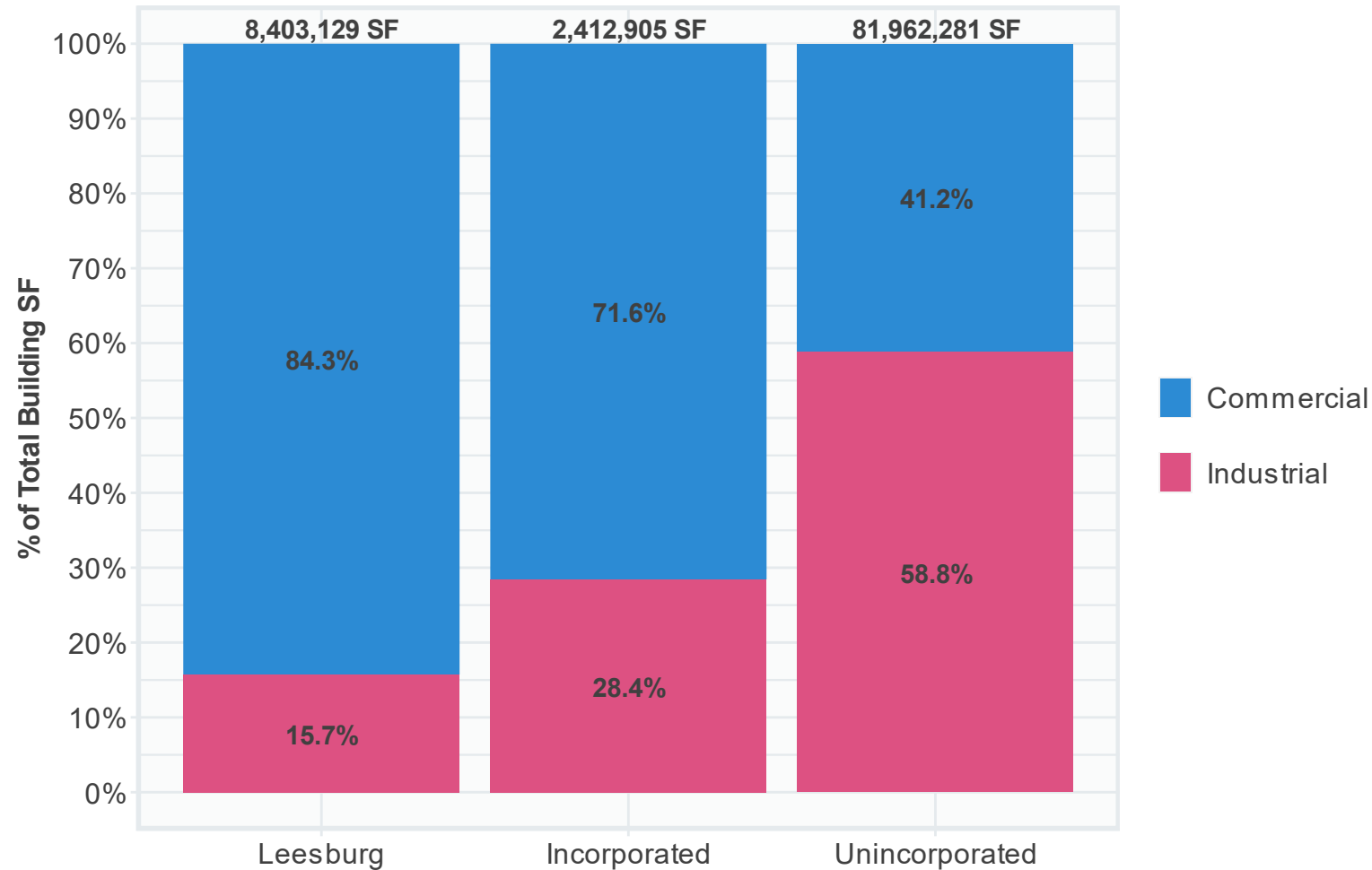


Percent Building SF of Total Non-Residential Building SF by Type

- **Industrial building spaces outweighs commercial spaces in unincorporated areas**
 - Data centers consume large proportions of building sf (over half of total industrial stock)
 - Much of industrial inventory is being used by office/retail tenants
- **Limitations on industrial operations in Leesburg/incorporated areas**
 - Land, access, and infrastructure constraints
 - High proportions of smaller scale industrial users (e.g., Automotive Uses)

Percent Building SF of Total Non-Residential Building SF by Type

Loudoun County, VA (2023)



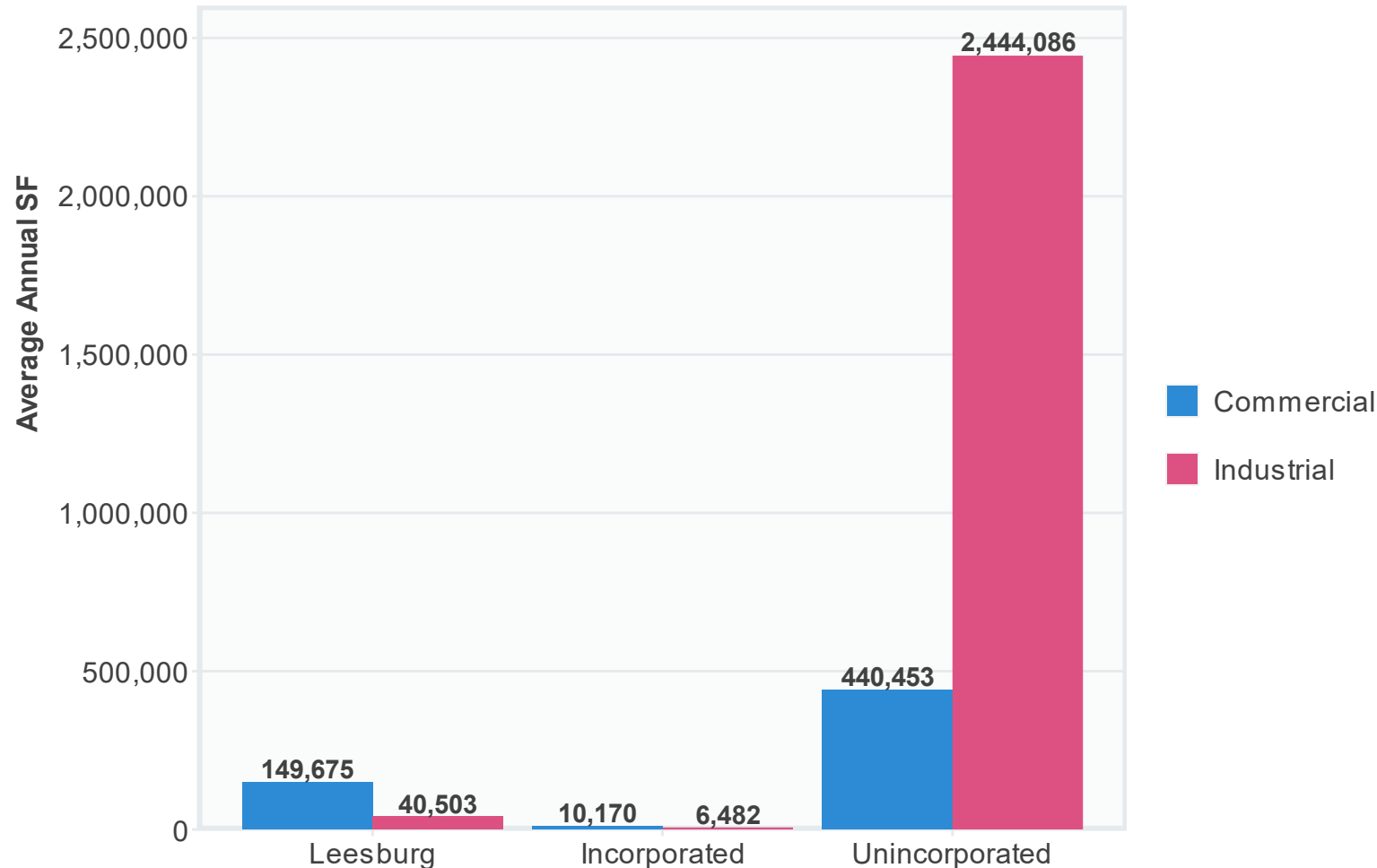
Development Trends

2010-2023

Average Annual Delivery Since 2010

- **Industrial development deliveries largest on annual basis**
 - Largely due to rapid development of Data Centers
 - Nearly 60 data centers developed in that time frame
 - Averaging sub 400,000 SF
- **Annual development activities significantly less in incorporated areas/Leesburg**
 - Less land available to support the same scale as unincorporated areas
 - Market feasibility much higher in unincorporated areas (e.g., larger population, land availability)

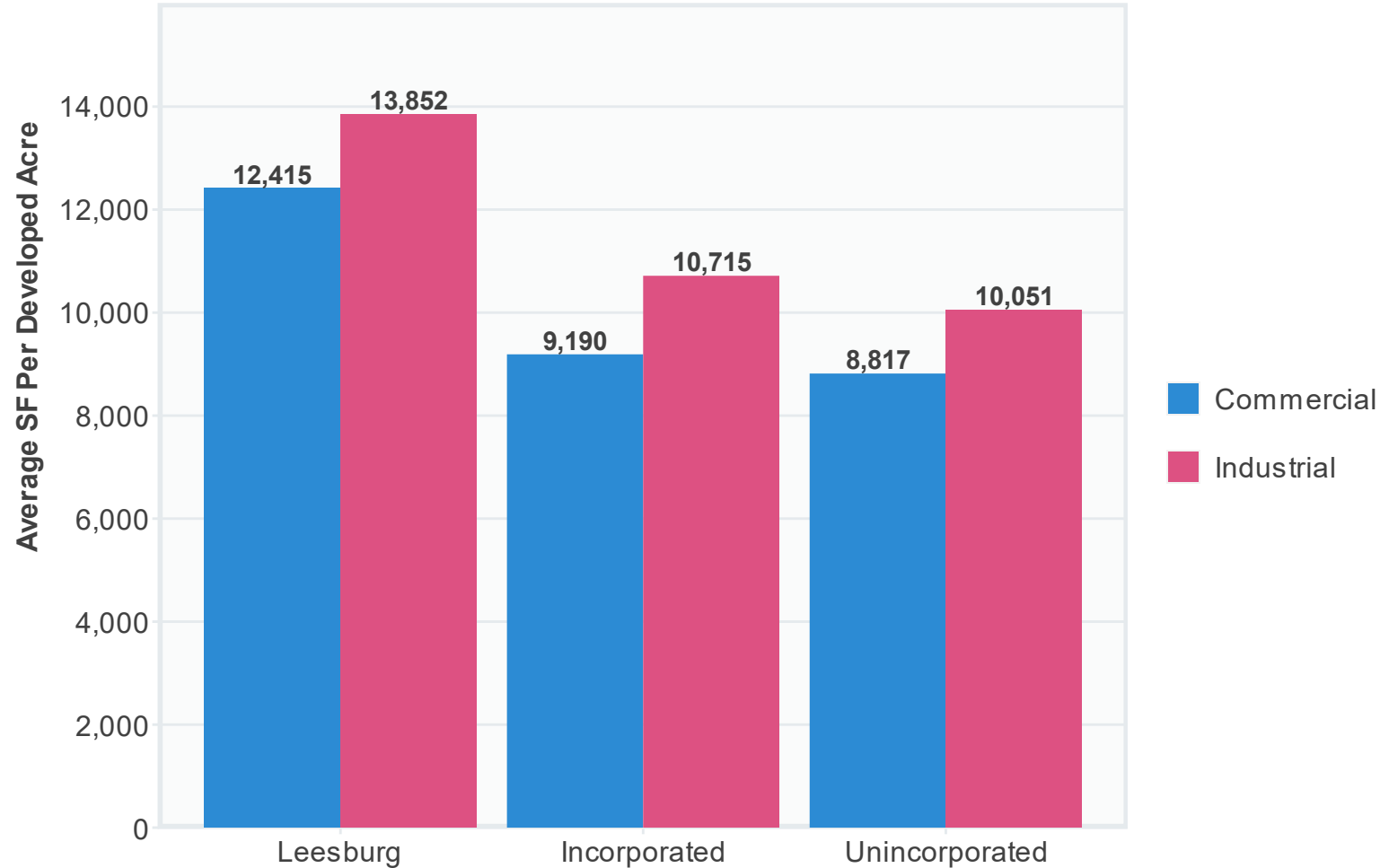
Average Annual Delivery of Non-Residential Development (Square Feet)
Loudoun County, VA (2010-2023)



Average SF Per Acre of Developed Acreage Since 2010

- Average development in Leesburg higher on a per acre basis
 - Smaller plots of land than unincorporated areas
 - Density levels are much higher
 - However, current pace of development suggests that it will be many years before Leesburg is “built-out”

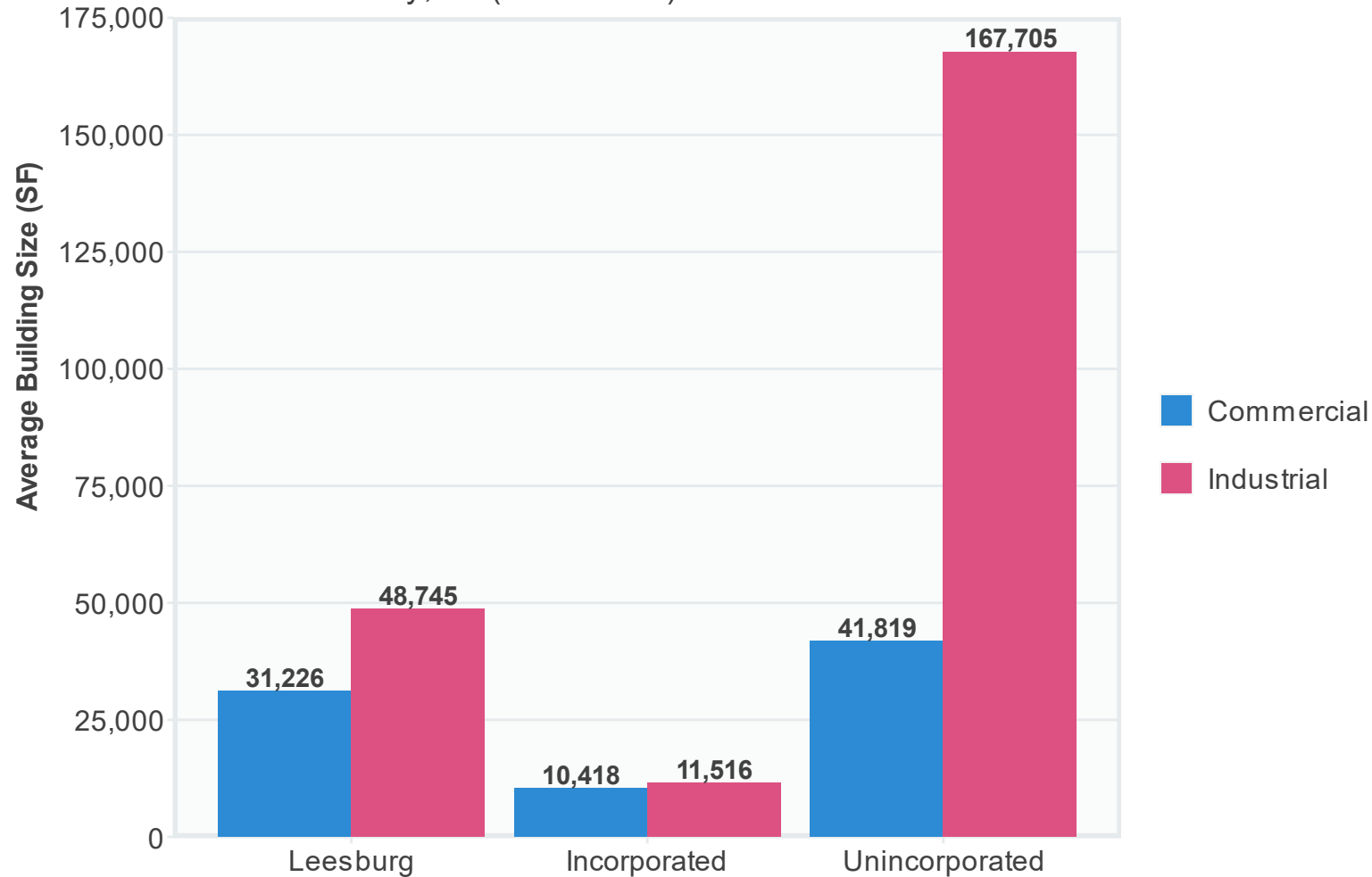
Average SF of Non-Residential Development Per Developed Acre
Loudoun County, VA (2010-2023)



Scale of Non-Residential Developments Since 2010

- **Industrial developments in unincorporated substantially larger on average**
 - Influenced by substantive proportion of mega data-centers
 - Warehouse/distribution and light industrial facilities significantly smaller in scale
- **Average non-residential developments in Leesburg less than unincorporated areas**
 - Reflects land limitations and market feasibility (smaller scale office spaces)
 - Stryker's new offices and Ion Training Center inflating commercial averages (e.g., most new office development around 12,000 SF and smaller)

Average Size of Recent Non-Residential Development (Square Feet)
Loudoun County, VA (2010-2023)

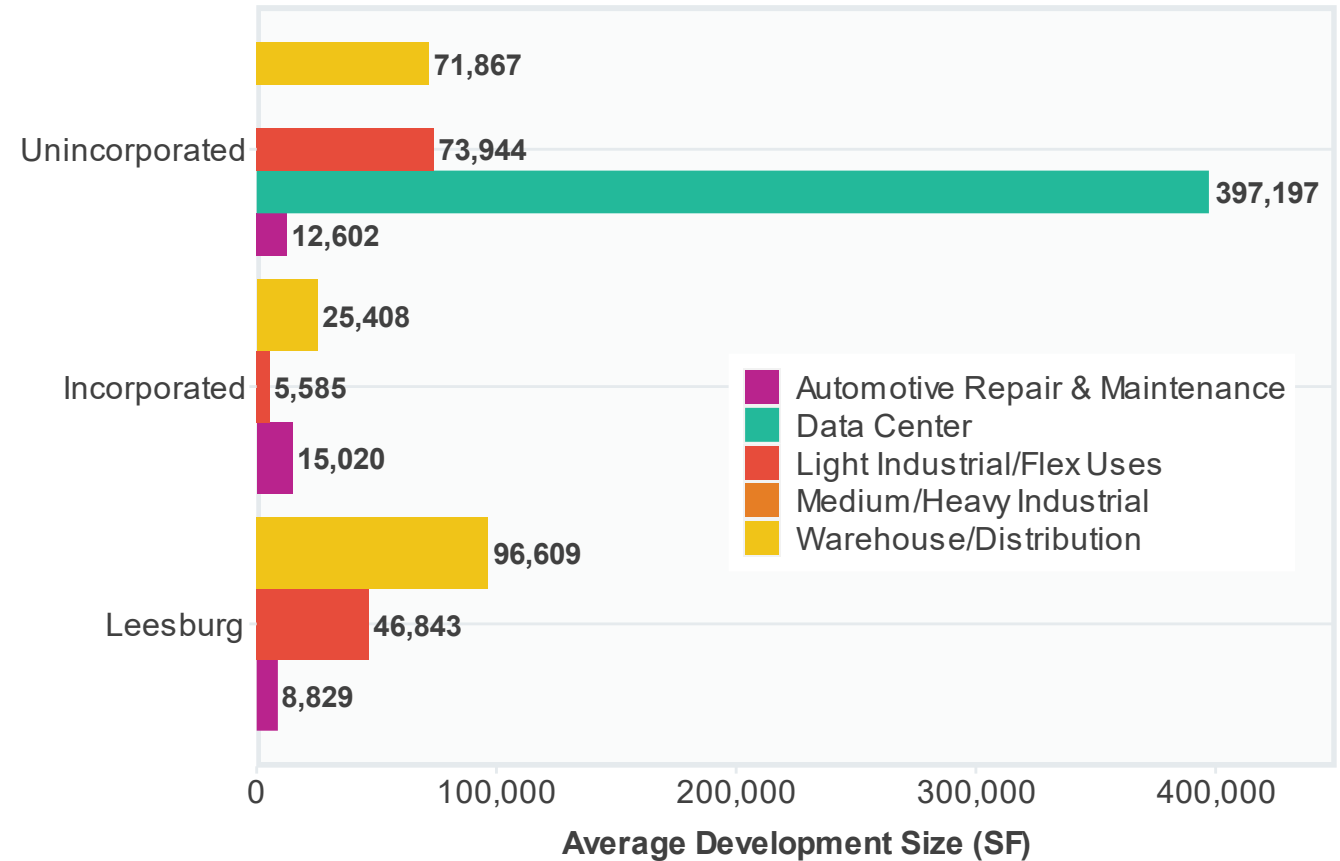


Scale of Industrial Developments Since 2010

- **Scale of data centers reflect its substantial infrastructure and land requirements**
 - Consumes large land areas (many are 30 acres or more)
 - Leesburg/incorporated areas have minimal areas where data centers could be built
- **Warehouses and Light Industrial uses report largest development sizes in Leesburg**
 - Doesn't translate to true industrial operations
 - Most warehouse spaces are self-storage facilities
 - Light industrial spaces built to meet demand from multiple sectors (including office/retail)

Average Size of Recent Industrial Development (Square Feet)

Loudoun County, VA (2010-2023)

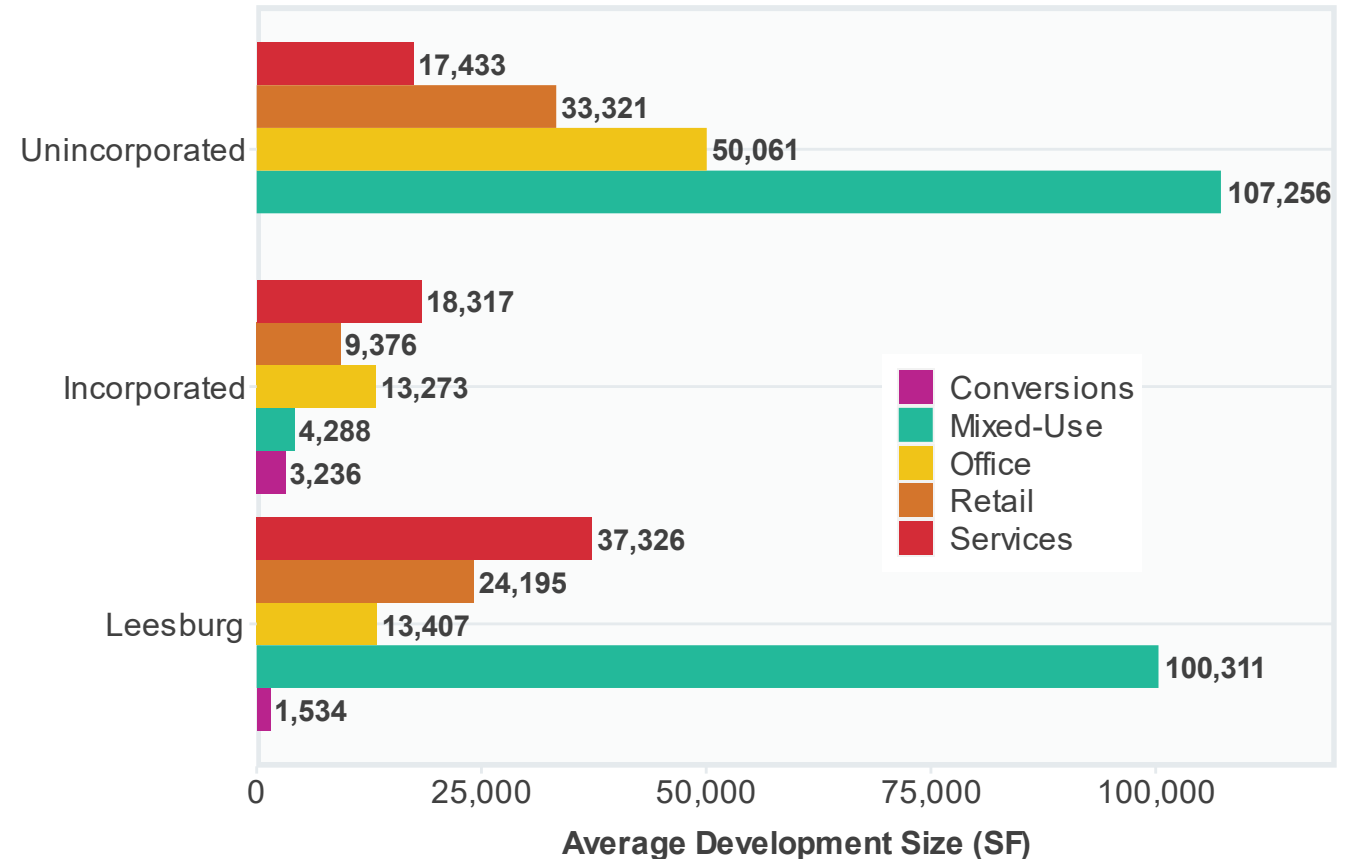


Scale of Commercial Developments Since 2010

- **Unincorporated areas typically have larger developments**
 - Greater availability of land for construction
- **Mixed-use development scale in Leesburg on par with unincorporated areas**
 - Town-center style developments catering to market preferences (Village at Leesburg)
 - Partly reflective of price escalation
 - Scale inflated to make projects financially feasible

Average Size of Recent Commercial Development (Square Feet)

Loudoun County, VA (2010-2023)



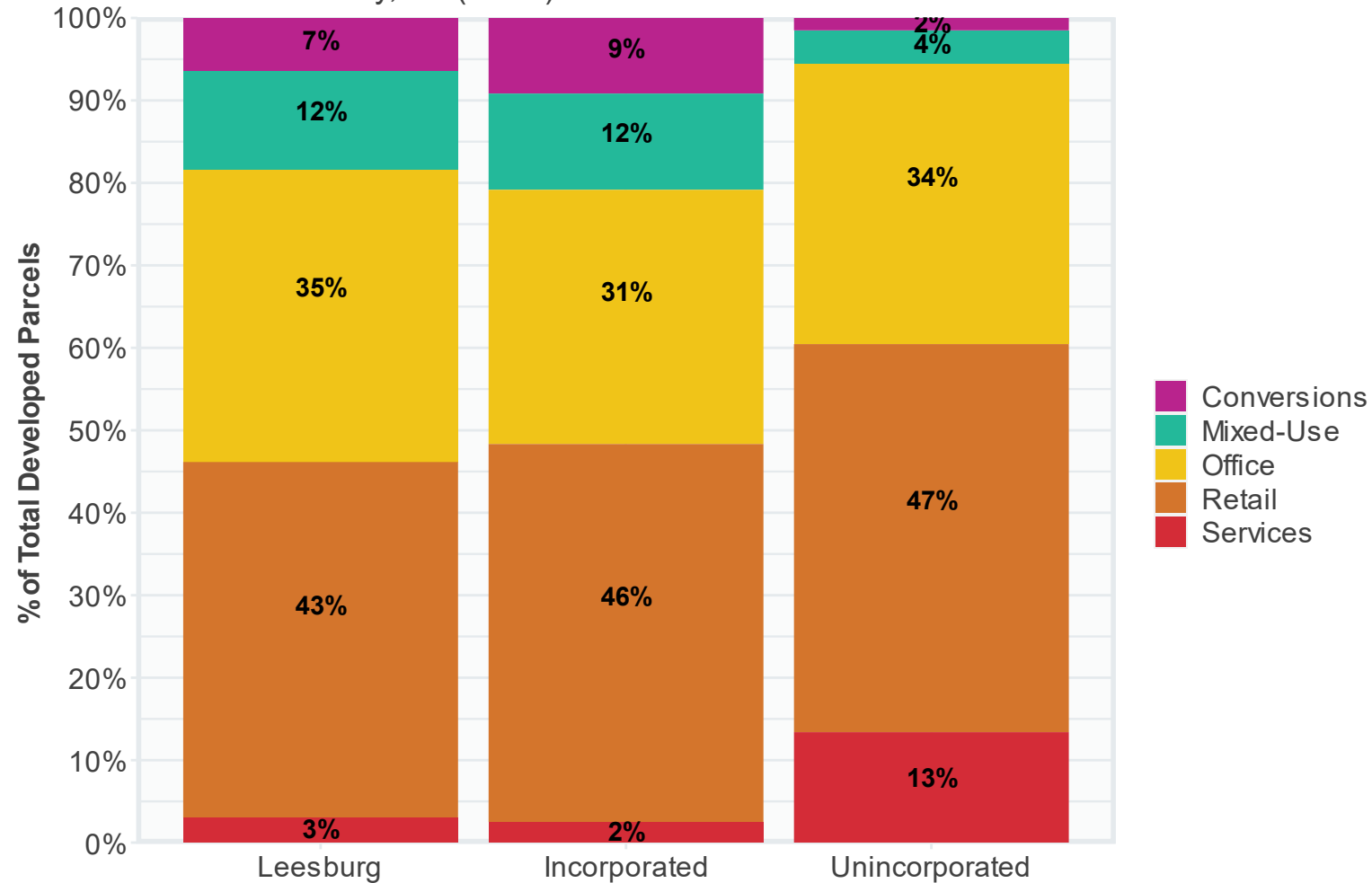
Commercial Subtypes

Overview of Commercial Properties—Office, Retail, Mixed-Use, Conversions, Services

Share of Total Commercial Developed Parcels by Subtype

- **Analysis included all properties with commercial component**
 - Many 'Conversions' represent structures that transformed from residential uses (e.g., downtowns)
 - Services includes privatized recreational facilities (e.g., golf courses)
- **Office and retail users constitute most of each area's commercial building stock**
 - Unincorporated areas- more big box retailers/shopping centers, office spaces benefit for larger corporate operations
- **Mixed-use structures constitute smaller share relative to other commercial uses**
 - Mixed-use structures in incorporated areas generally at much smaller scale (e.g., ground floor retail with 2-3 living units)

Percent Share of Commercial Developed Parcels by Subtype
Loudoun County, VA (2023)

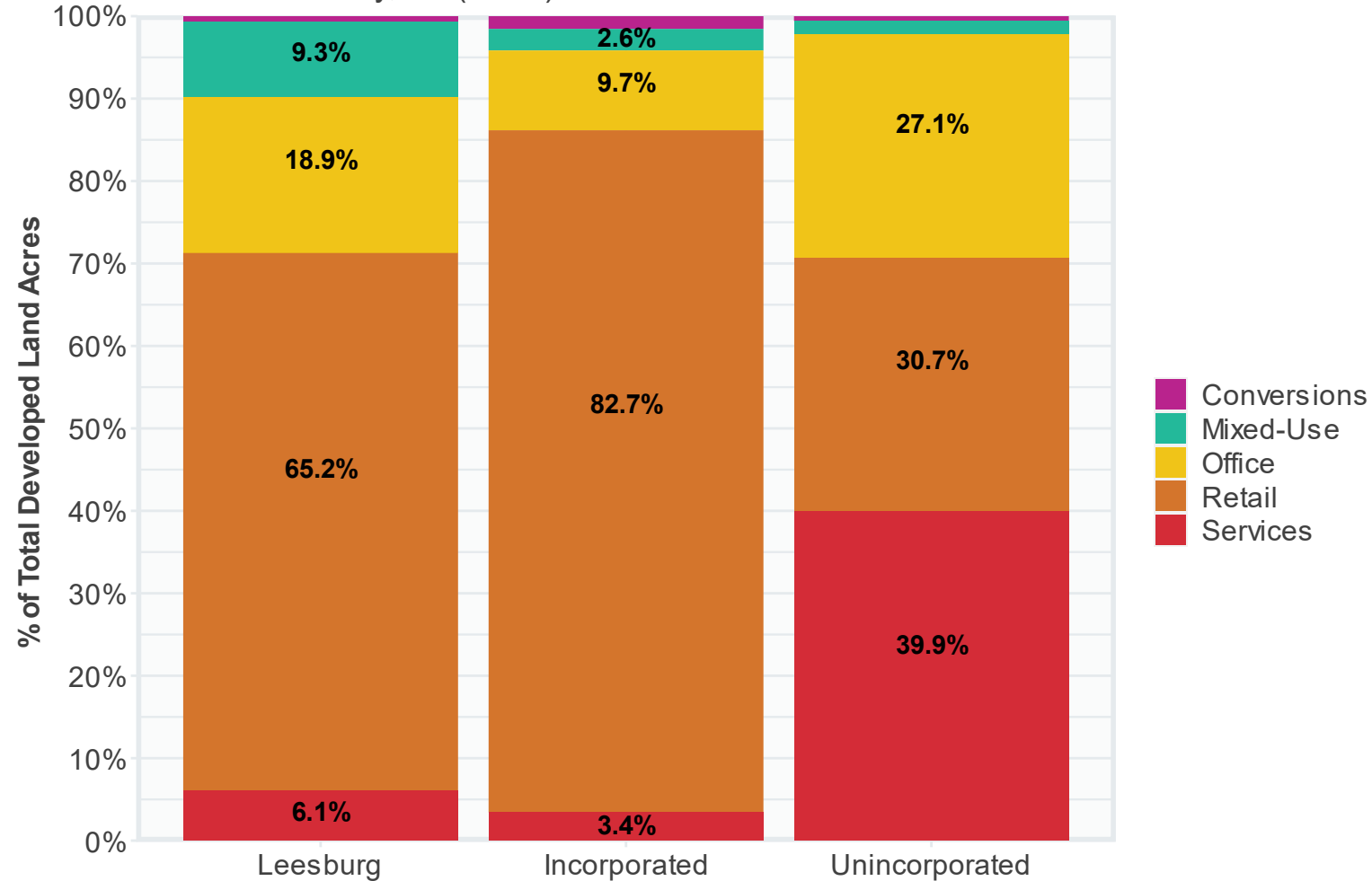


Percent Acreage of Commercial Developed Land by Subtype

- **Retail uses consume most of commercial land acreage in Leesburg/incorporated areas**
 - Leesburg has gained various shopping center developments in the previous two decades
- **Services consume most of commercial land acreage in unincorporated areas**
 - Includes properties with substantial land plots (e.g., private golf courses)
 - Physical structures can make up small proportions of total land area (social clubhouse on 18-hole golf course)

Percent Land Acreage of Commercial Developed Land by SubType

Loudoun County, VA (2023)



Percent Building SF of Total Commercial Building SF by Subtype

- **Office users constitute largest amount of commercial square footage in unincorporated areas**

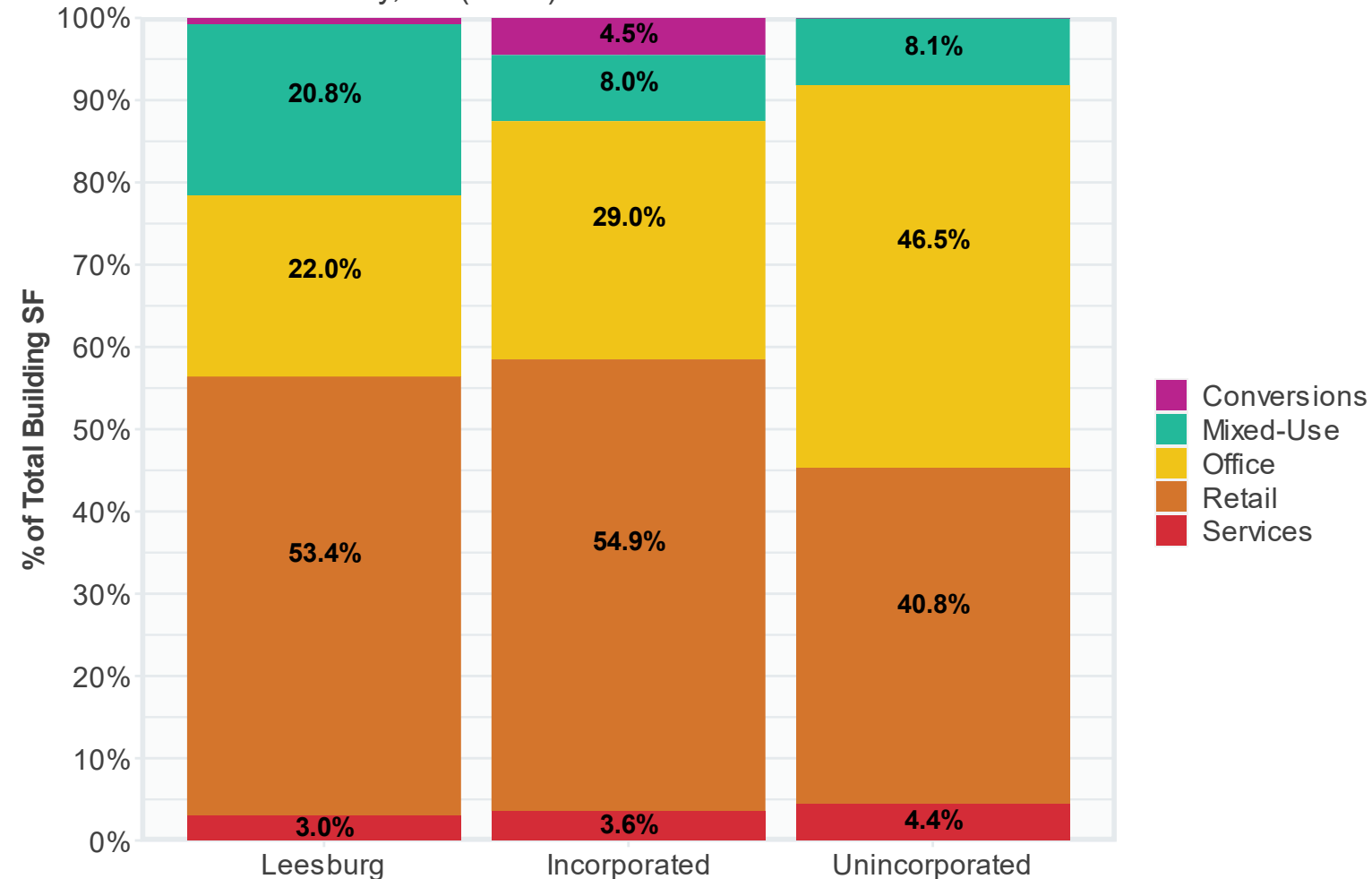
- Large-scale office spaces benefit for corporate operations and in suburban office parks
- Many office spaces accompany different use type (office use attached to industrial function)

- **Retail users constitute half of commercial square footage in Leesburg/incorporated areas**

- Communities have large emphasis on historic destination retail/tourism economy (main street focus)
- Greater diversity in Leesburg retail market relative to incorporated areas (intermixed with more shopping centers development types)

Percent Building SF of Total Commercial Building SF by Subtype

Loudoun County, VA (2023)



Industrial Subtypes

Overview of Industrial Properties—Automotive Uses, Data Center, Light Industrial, Medium/Heavy Industrial, Warehouse/Distribution

Share of Total Industrial Developed Parcels by Subtype

- **Light industrial users represent largest share of total industrial building stock in unincorporated areas**

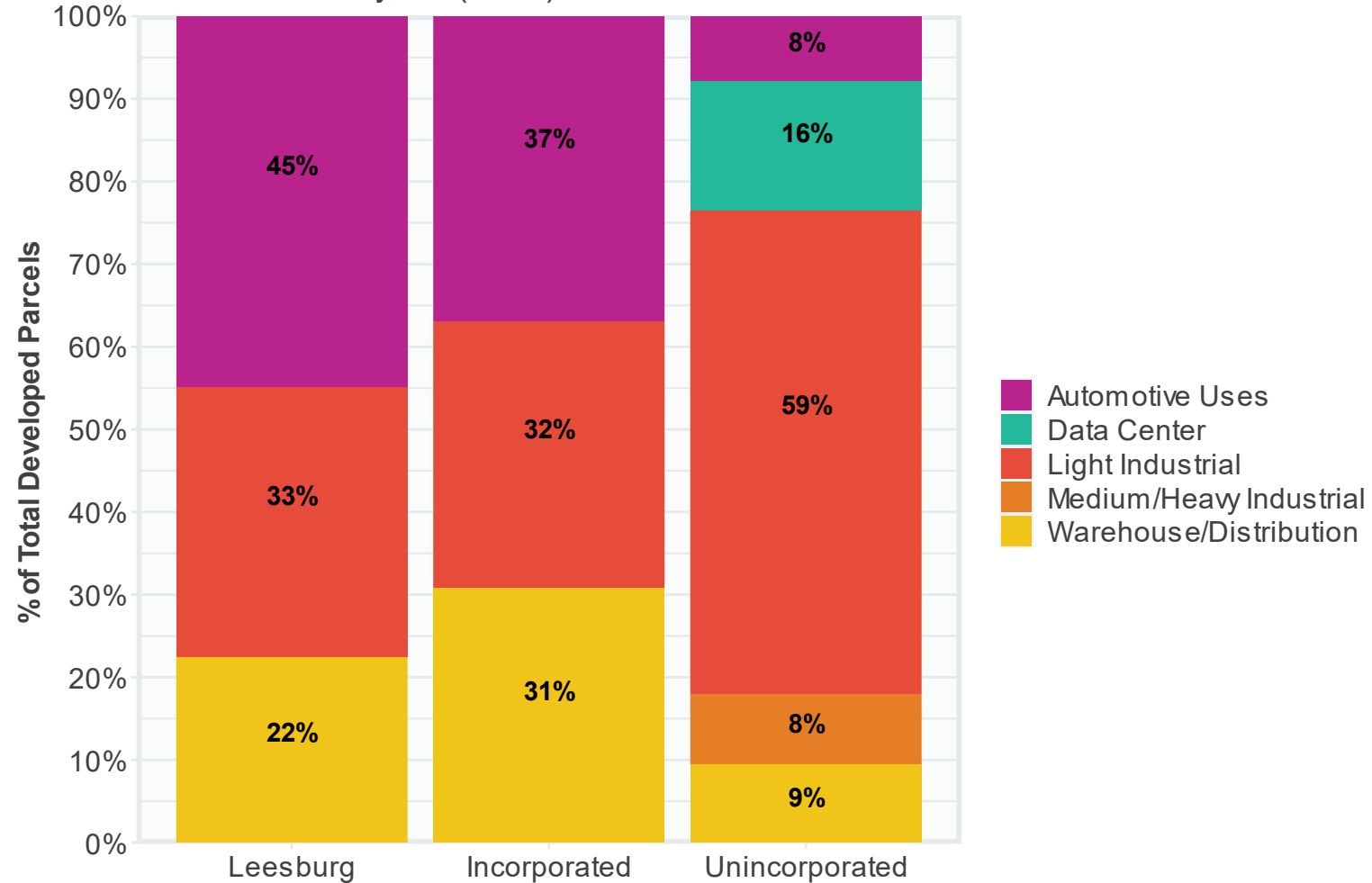
- Consists of light-production manufacturers, R&D spaces, and flex office-uses
- Logistics/supply chain may be included
- In Leesburg/Incorporated areas, many light industrial structures occupied by other users (office tenants, retail)

- **Automotive uses consist of largest share in Leesburg/Incorporated areas**

- Consists of small-scale auto-repair & maintenance shops

Percent Share of Industrial Developed Parcels by Subtype

Loudoun County, VA (2023)

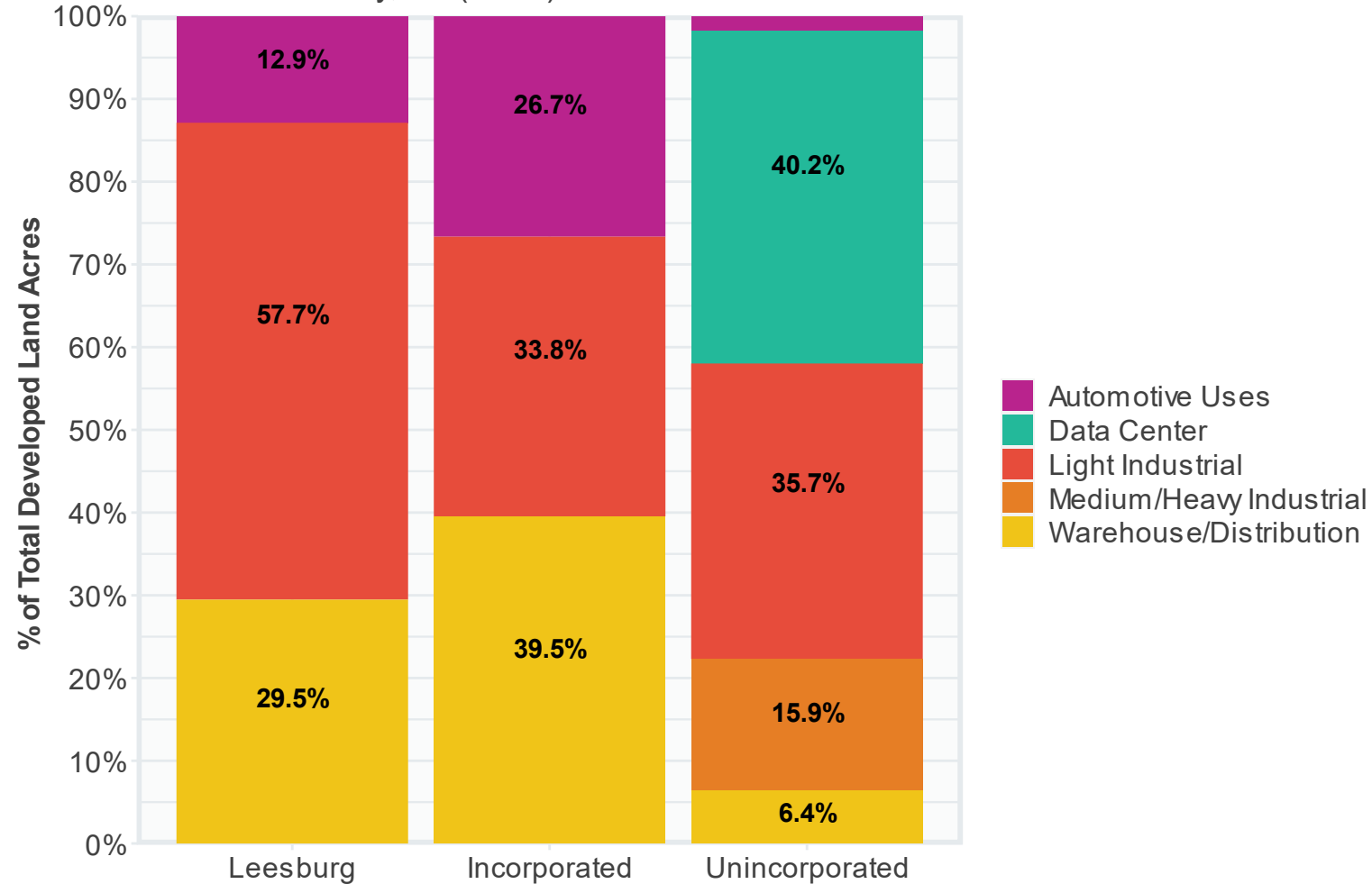


Percent Acreage of Industrial Developed Land by Subtype

- **Data Centers consume largest proportion of industrial developed land in unincorporated areas**
 - Large plots of land needed to accommodate expanse of Data Center structures (Avg. land plot = 30 acres)
- **Warehouse/Distribution consumes most of industrial land acreage in incorporated areas**
 - Most land allocated to warehouse/distribution structures located in Purcellville
 - Land is primarily used for small-scale suppliers or self-storage sites

Percent Land Acreage of Industrial Developed Land by Subtype

Loudoun County, VA (2023)

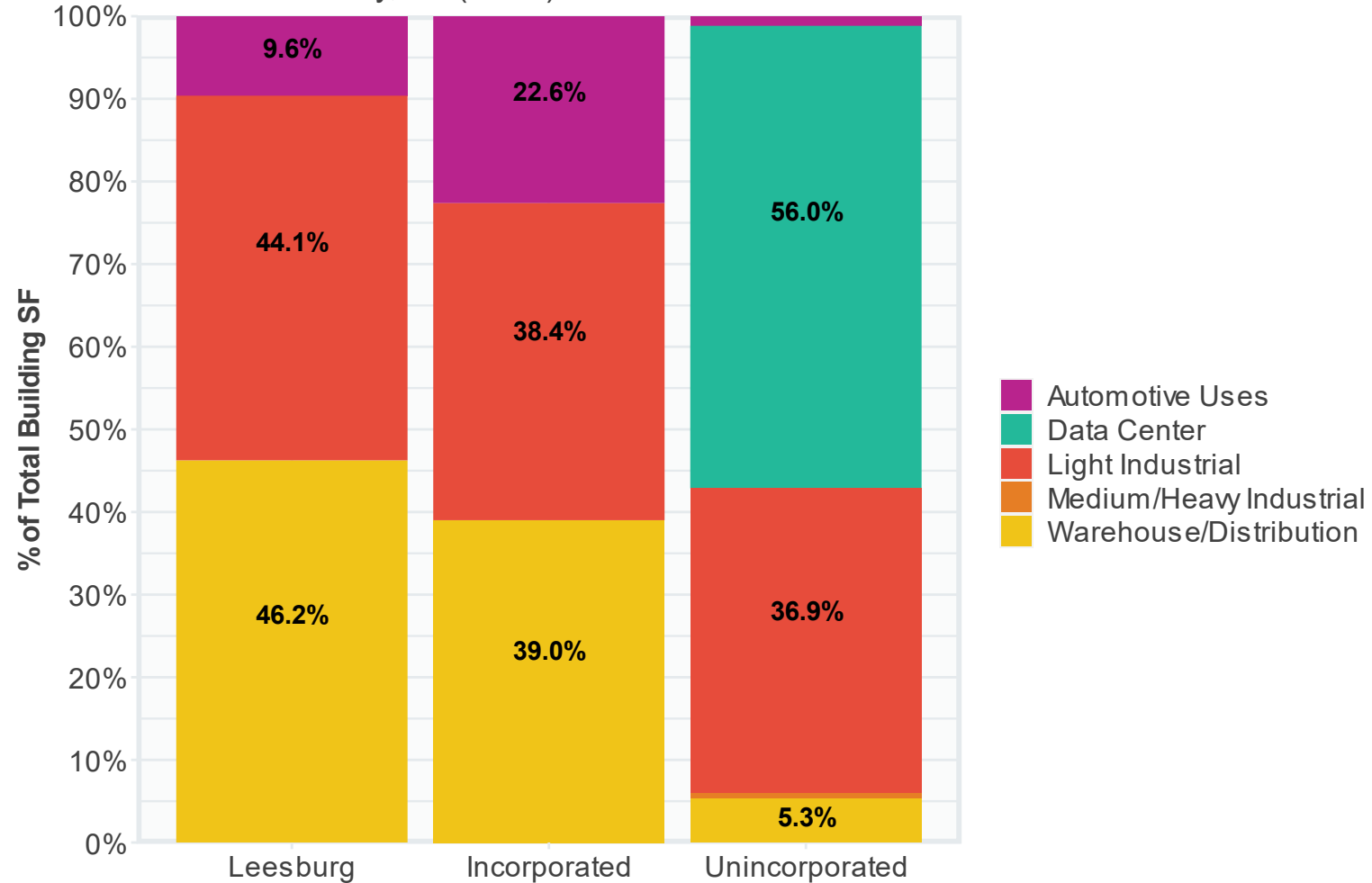


Percent Building SF of Total Industrial Building SF by Subtype

- **Data centers occupy over half of industrial building stock in unincorporated areas**
 - Demand stems from concentrated fiber-connectivity network around Ashburn
 - Most structures consume nearly 500,000 SF of space
- **In Leesburg, many structures are not occupied by true industrial operations**
 - Several warehouse/distribution structures are self-storage facilities
 - Many flex spaces are occupied by office tenants and recreational-based operations (e.g., gymnast facility)
 - Suggest areas zoned for industrial not meeting full-use potential

Percent Building SF of Total Industrial Building SF by Subtype

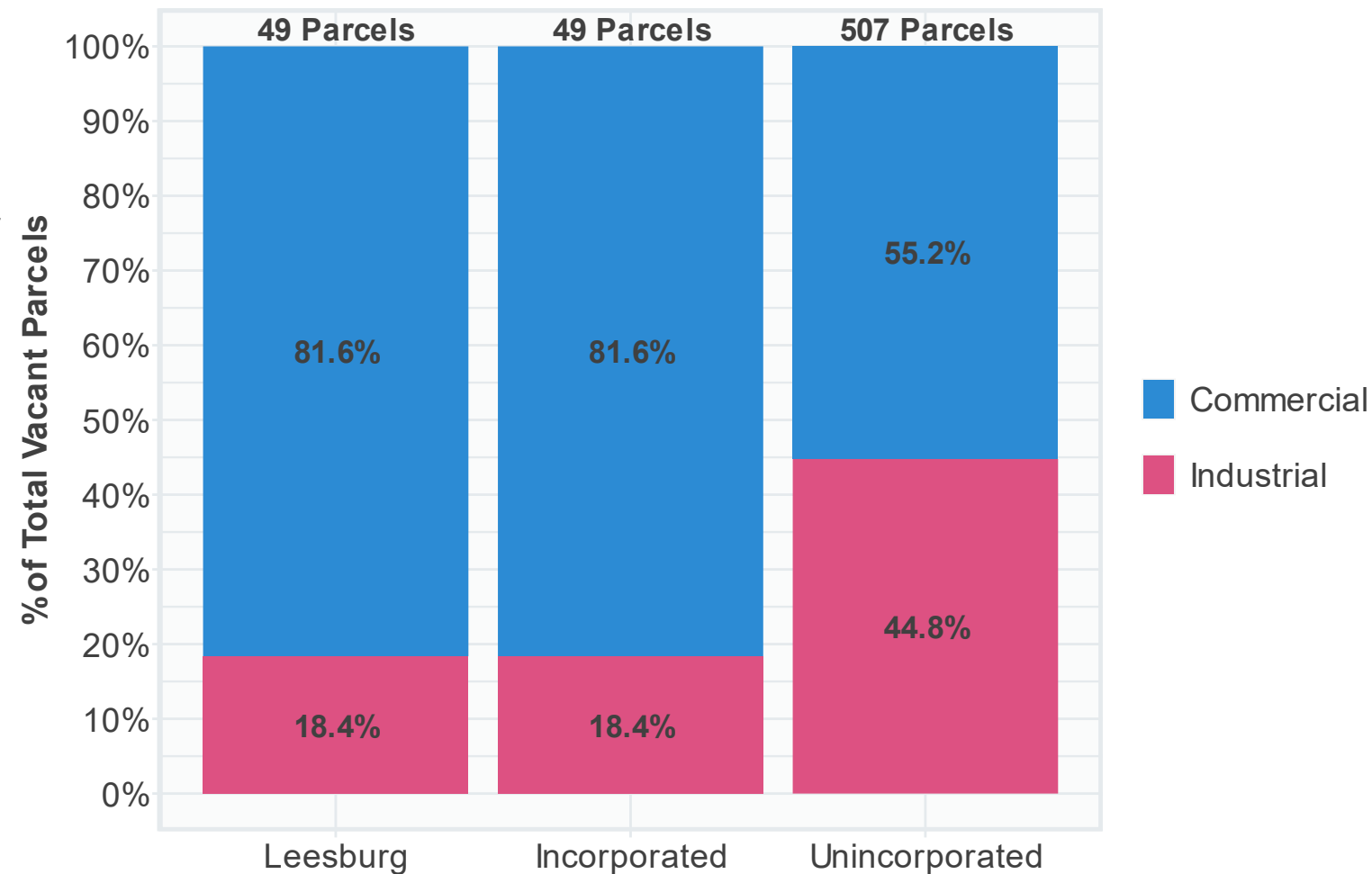
Loudoun County, VA (2023)



Share of Total Non-Residential Vacant Parcels by Type

- Most remaining vacant parcels restricted to commercial uses in Leesburg/ incorporated areas
 - Industrial seen as 'undesirable' in areas where the distance between subdivisions and non-residential areas are limited
 - Industrial users generally seek larger parcels, often not located in higher density areas
 - Industrial uses generally have lower land use efficiencies, making them less appropriate for areas with high demand for residential/mixed use projects

Percent Share of Non-Residential Vacant Parcels by Type
Loudoun County, VA (2023)

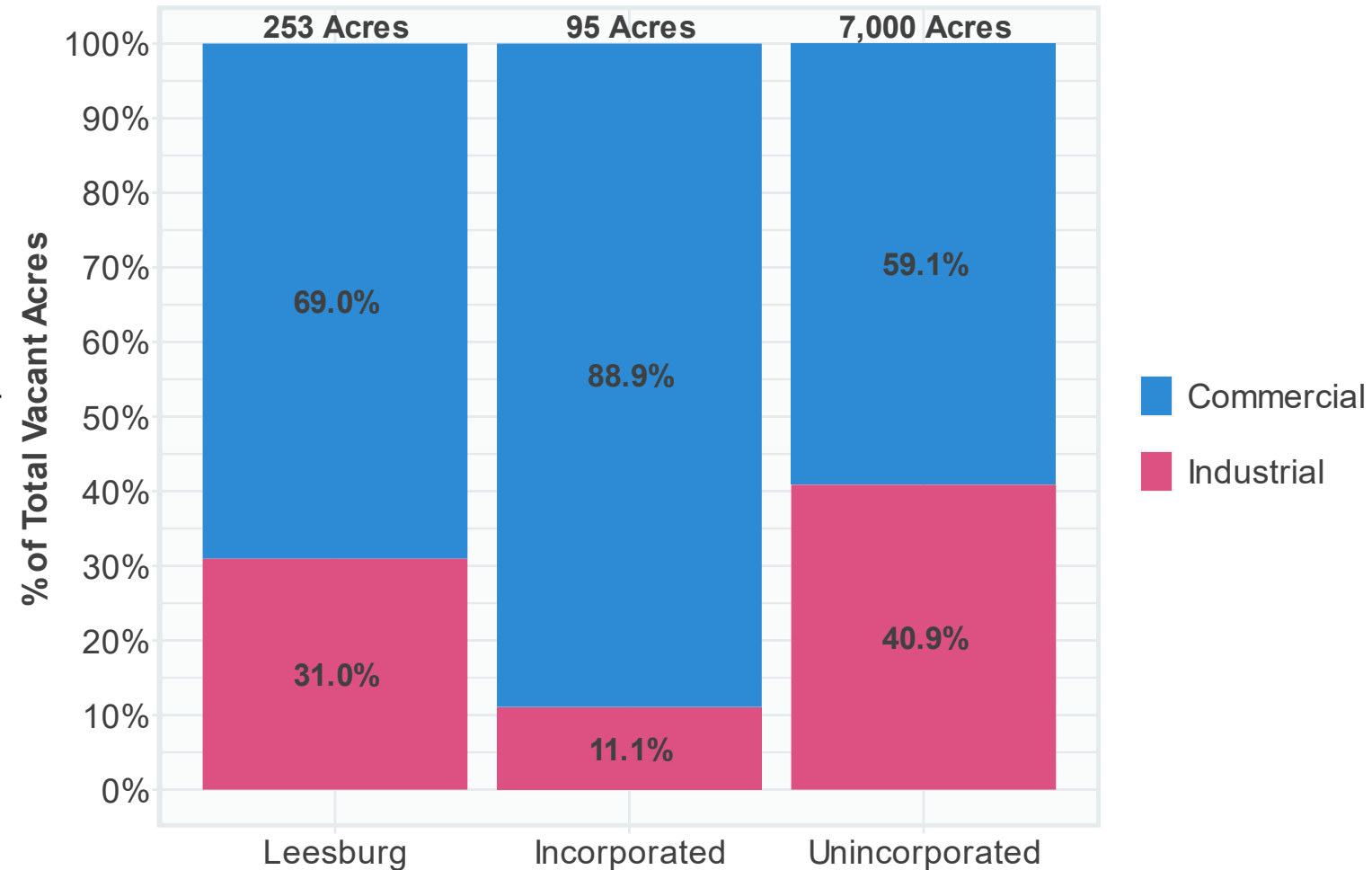


Percent Acreage of Non-Residential Vacant Land by Type

- **Most vacant land in incorporated areas limited to commercial uses**
 - Leesburg is more consistent with unincorporated Loudoun, but still has a lower concentration of industrially-zoned vacant land
- **Unincorporated Loudoun has land opportunities available to commercial or industrial users**
 - Remaining commercial focused on transit-oriented development opportunities
 - Remaining industrial concentrated near Dulles International Airport

Percent Land Acreage of Non-Residential Vacant Land by Type

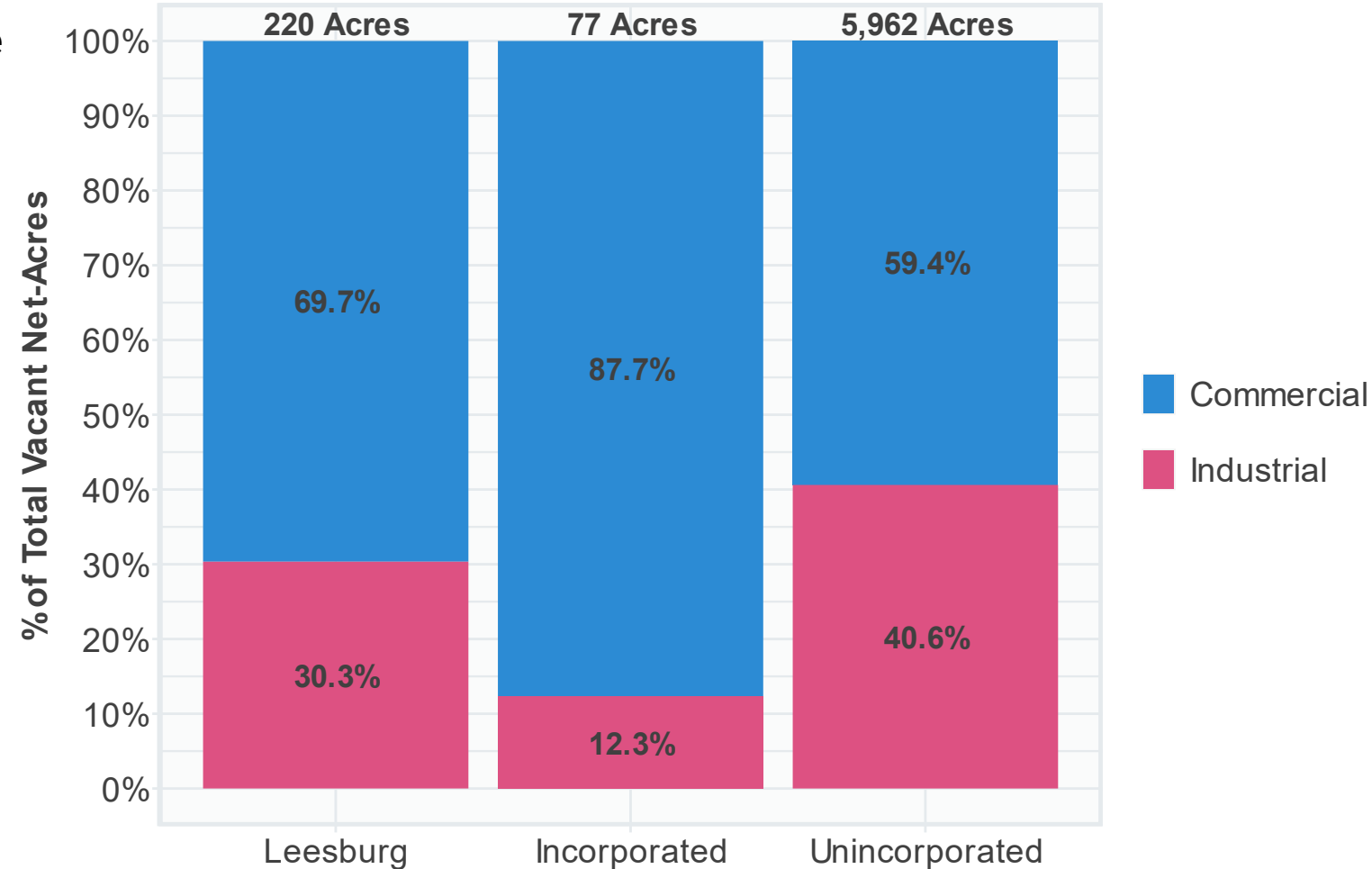
Loudoun County, VA (2023)



Percent Net-Acreage of Non-Residential Vacant Land by Type

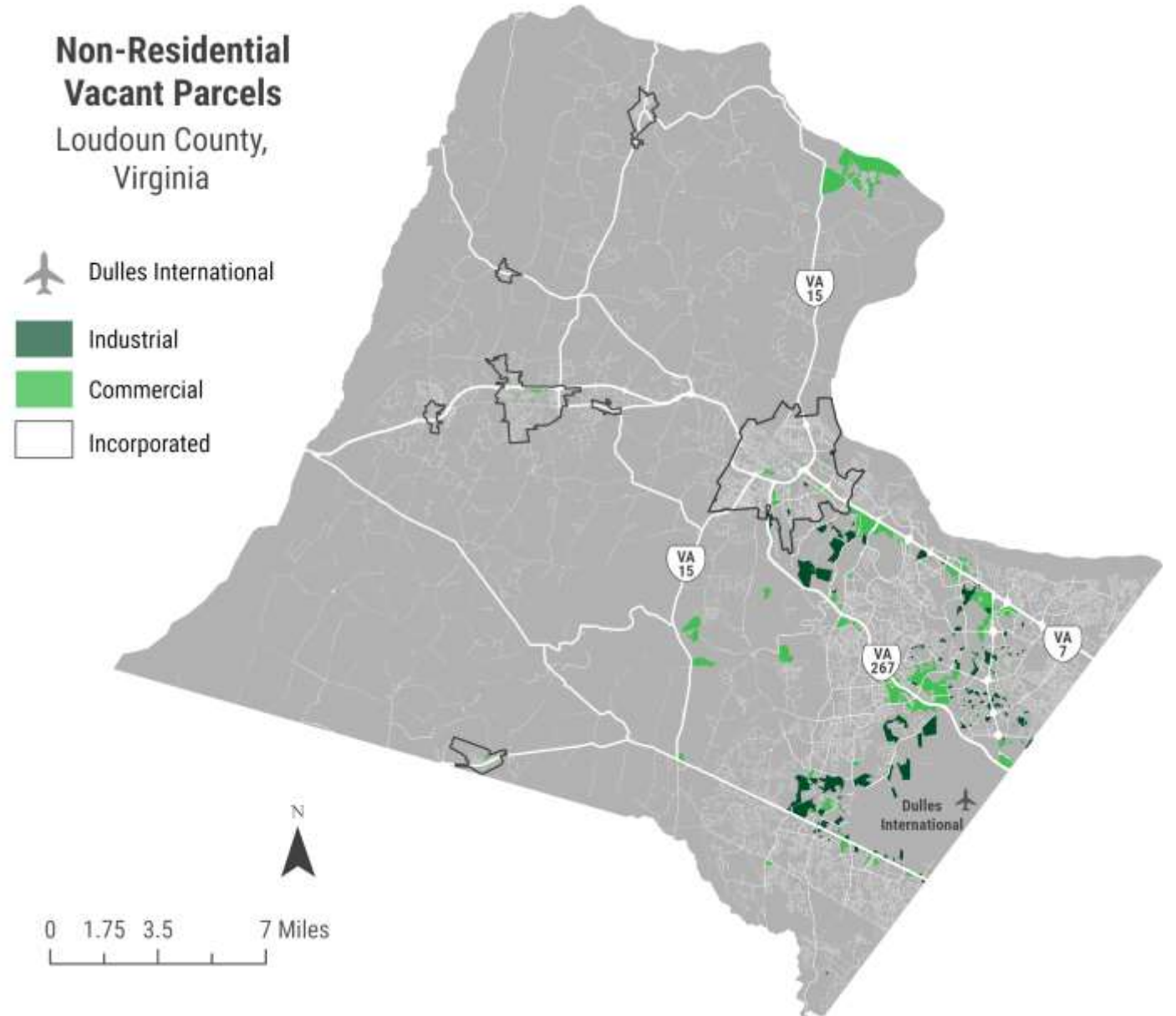
- **Net-vacant land acreages calculated to determine developable commercial and industrial opportunities**
 - While the number of developable acres is lower when constraints are introduced, the reductions range from 14% in Leesburg to 23% in other incorporated areas
 - 17% reduction in unincorporated Loudoun
- **Leesburg still has substantial land available to industrial uses**
 - Nearly 70 acres within applicable zoning districts (Industrial/Research Park District)

Percent Land Net-Acreage of Non-Residential Net-Vacant Land by Type
Loudoun County, VA (2023)



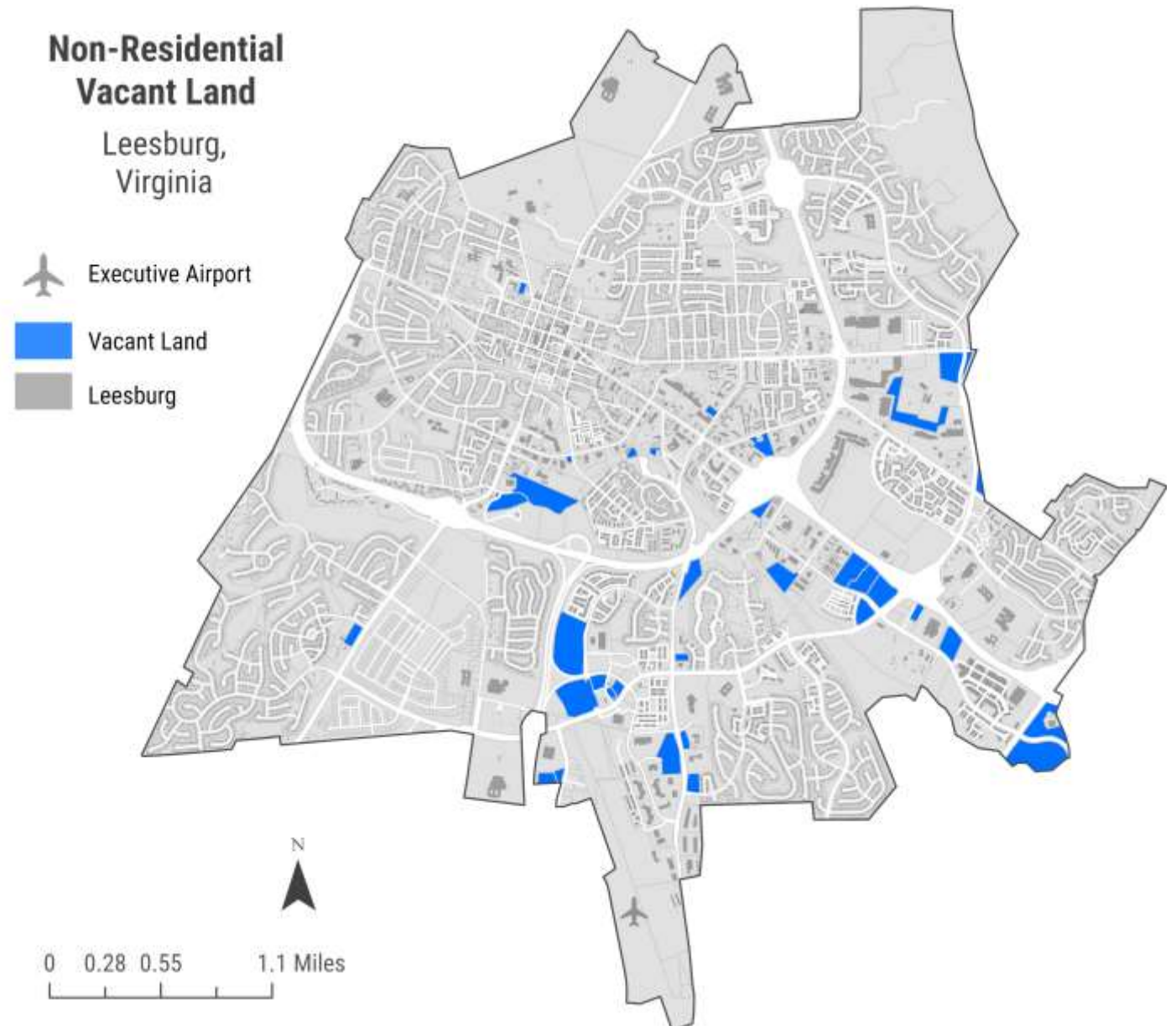
Distribution of Non-Residential Vacant Land by Type

- **Industrial land concentrated around Dulles Airport**
 - Also concentration south of Leesburg between VA 7 and VA 267



Distribution of Non-Residential Vacant Land-Leesburg

- Nearly 50 parcels are available for non-residential development opportunities
- Many sizeable parcels are under review or have been granted development approvals
 - Tuscarora Village- been approved since 2016 yet no construction has occurred on mixed-use project
 - Village at Leesburg, nearly 25 acres zoned industrial, has no development plan

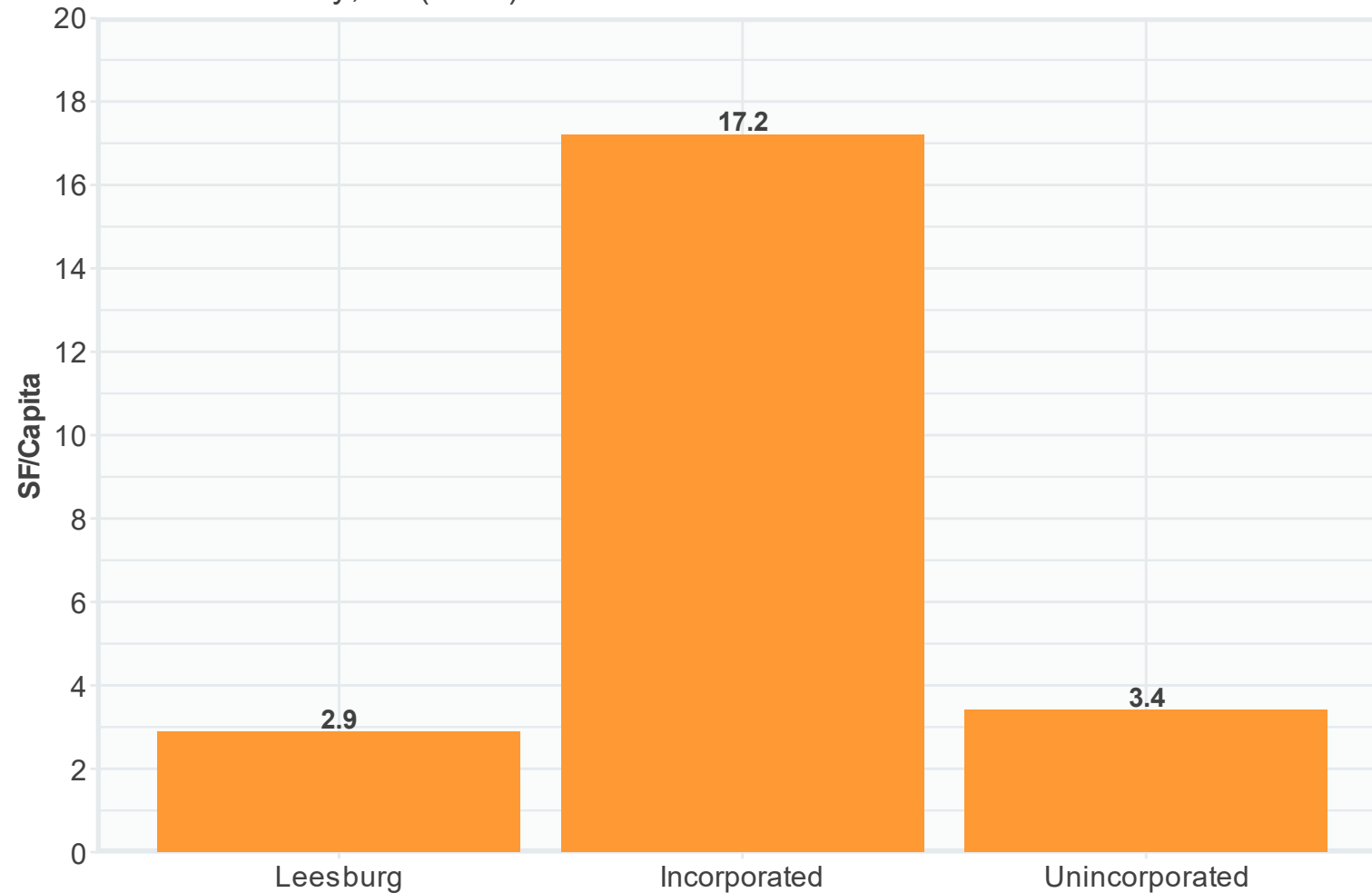


Proposed Non-Residential Developments (Building Permit Data)

- **Square feet per capita measures how much building space per person is proposed for each study area**
 - Accounts for projects that are either seeking approval through planning processes or are already approved/under construction
 - Assesses how land is allocated and utilized
- **Proposed square feet per capita highest in Incorporated areas (except Leesburg)**
 - Very small population concentrations which inflate scale of future development (Lovettsville, Purcellville)

Projected Non-Residential Development Square Feet Per Capita

Loudoun County, VA (2023)



Comparable Community Analysis

Assessment of Taxable Land and Buildings in Leesburg, Purcellville,
Manassas, and Vienna

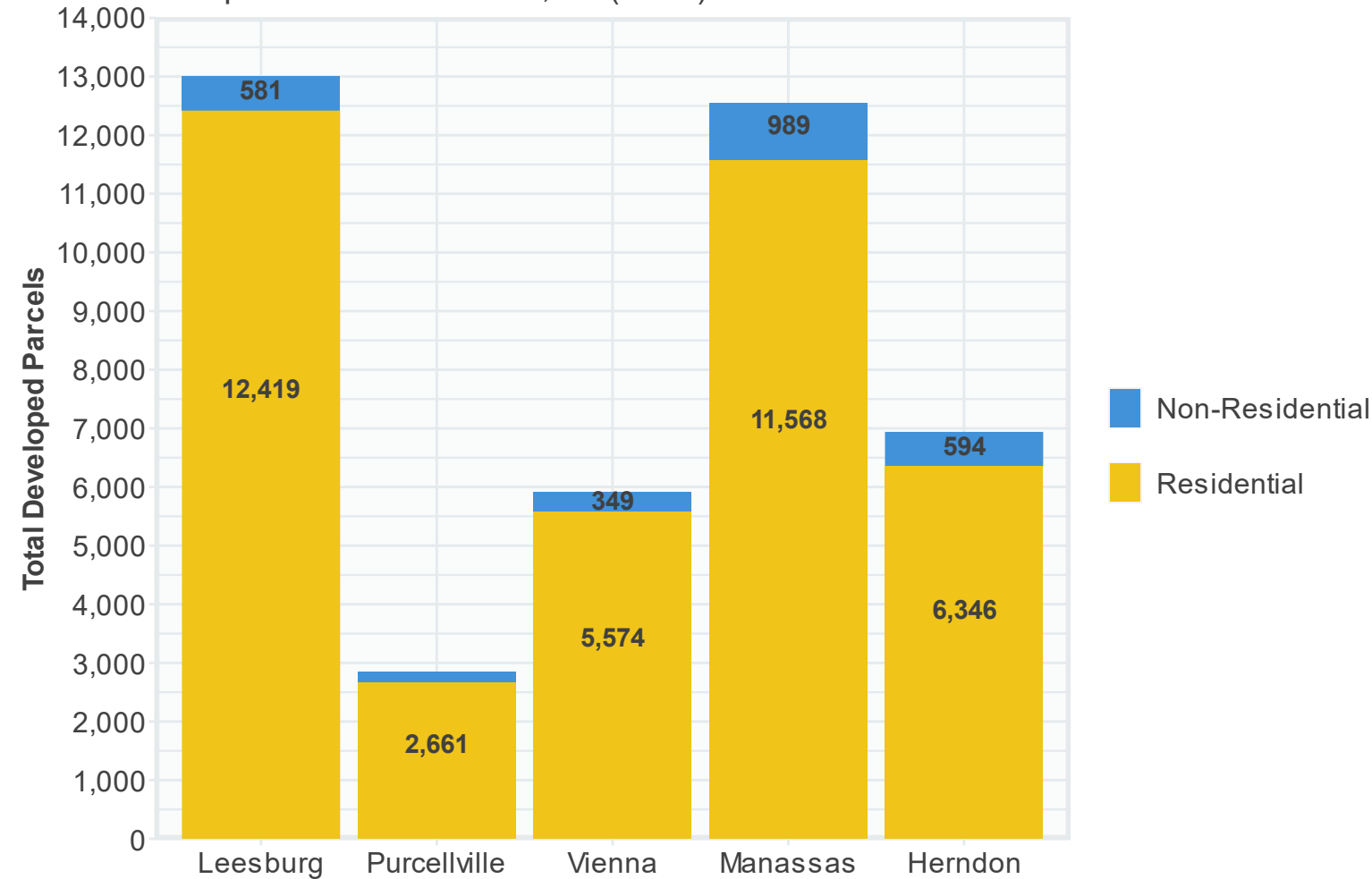
Non-Exempt Parcels

Relative Proportions Between Non-Residential and Residential Uses in Each Comparable Community

Total Count of Non-Exempt Developed Parcels by Type

- **Residential uses constitute most of non-exempt development activities**
 - Single-family dwellings are the predominant residential use-type
- **Manassas has the greatest share of non-residential parcels**
 - Substantial number of commercial-condos with individual ownerships
 - Notable logistics presence due to proximity to I-66
- **Leesburg has the smallest share of non-residential parcels**

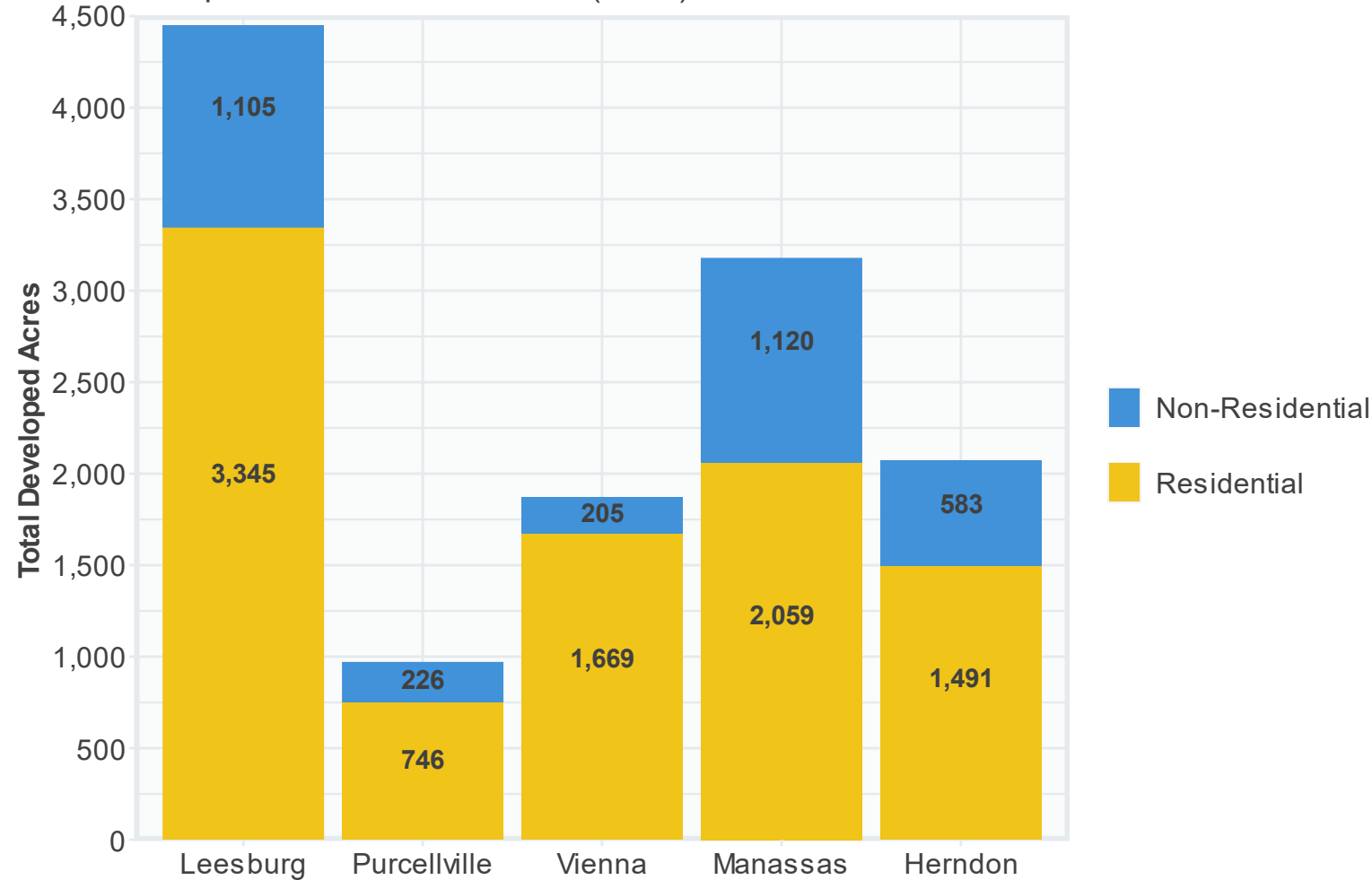
Total Count of Non-Exempt Developed Parcels by Type
Comparable Communities, VA (2023)



Total Acres of Non-Exempt Developed Land by Type

- **Proportion of non-residential developed land acreage highest in Manassas**
 - Consistent with land-intensive commercial headquarters and distribution centers
 - Major employment hub for defense contractors (Lockheed Martin, BAE Systems)
- **Proportion of non-residential developed land acreage lowest in Vienna**
 - Vienna is less of an employment destination
 - Centered around single-family subdivisions to accommodate commuting to Tysons
- **Leesburg's higher concentration of acreage reflects larger parcels than other municipalities**

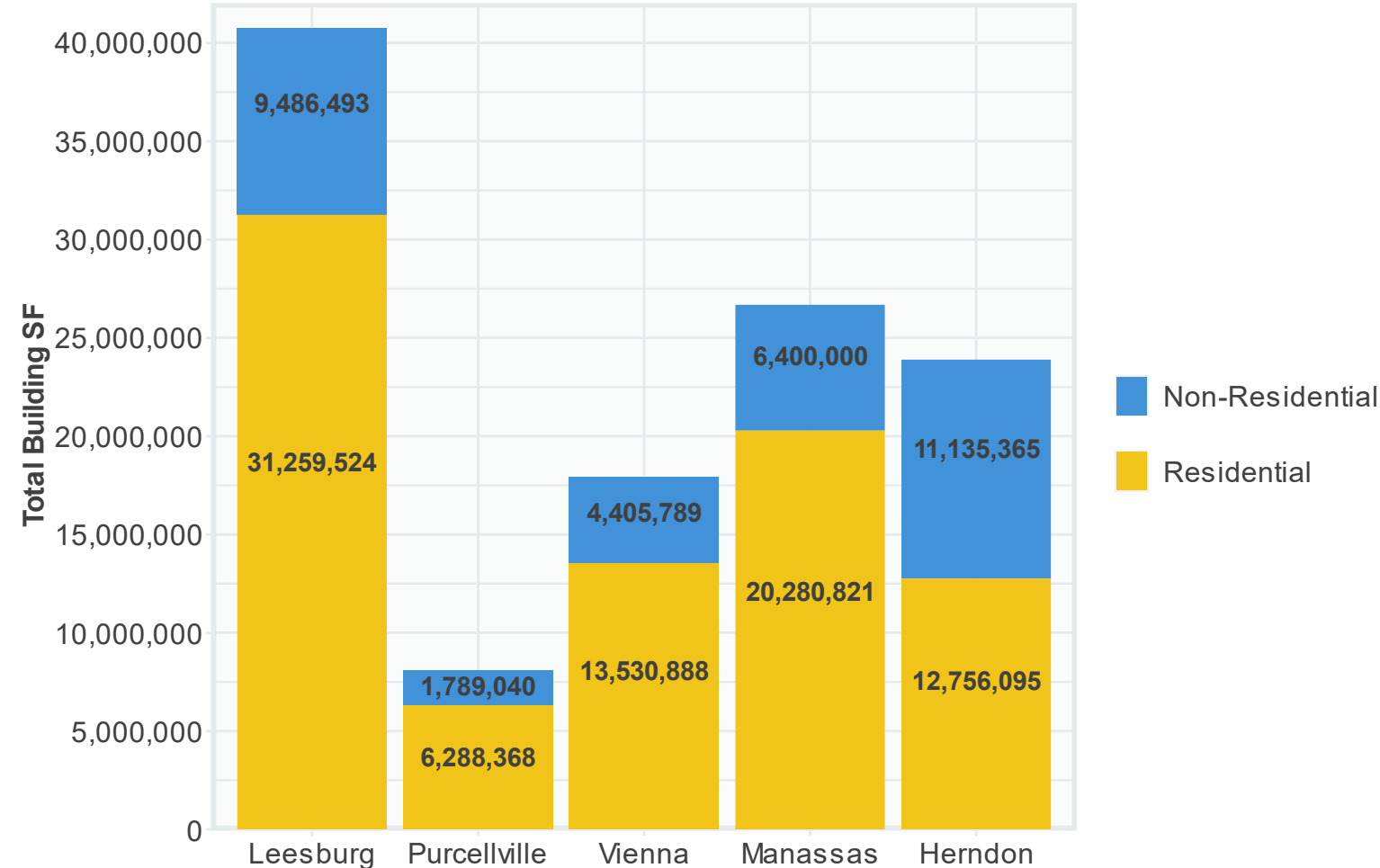
Total Acres of Non-Exempt Developed Land by Type
Comparable Communities, VA (2023)



Total Non-Exempt Building SF Type

- Despite differences in total non-residential parcels and non-residential acreage, the communities have similar distribution of building square footage
 - Differences in approach to development
 - Taking advantage of local preferences/competitive advantages
- **Strategies**
 - Purcellville – more balanced
 - Vienna – support commercial
 - Manassas – larger industrial
 - Leesburg – regional retail/services
 - Herndon- large office space

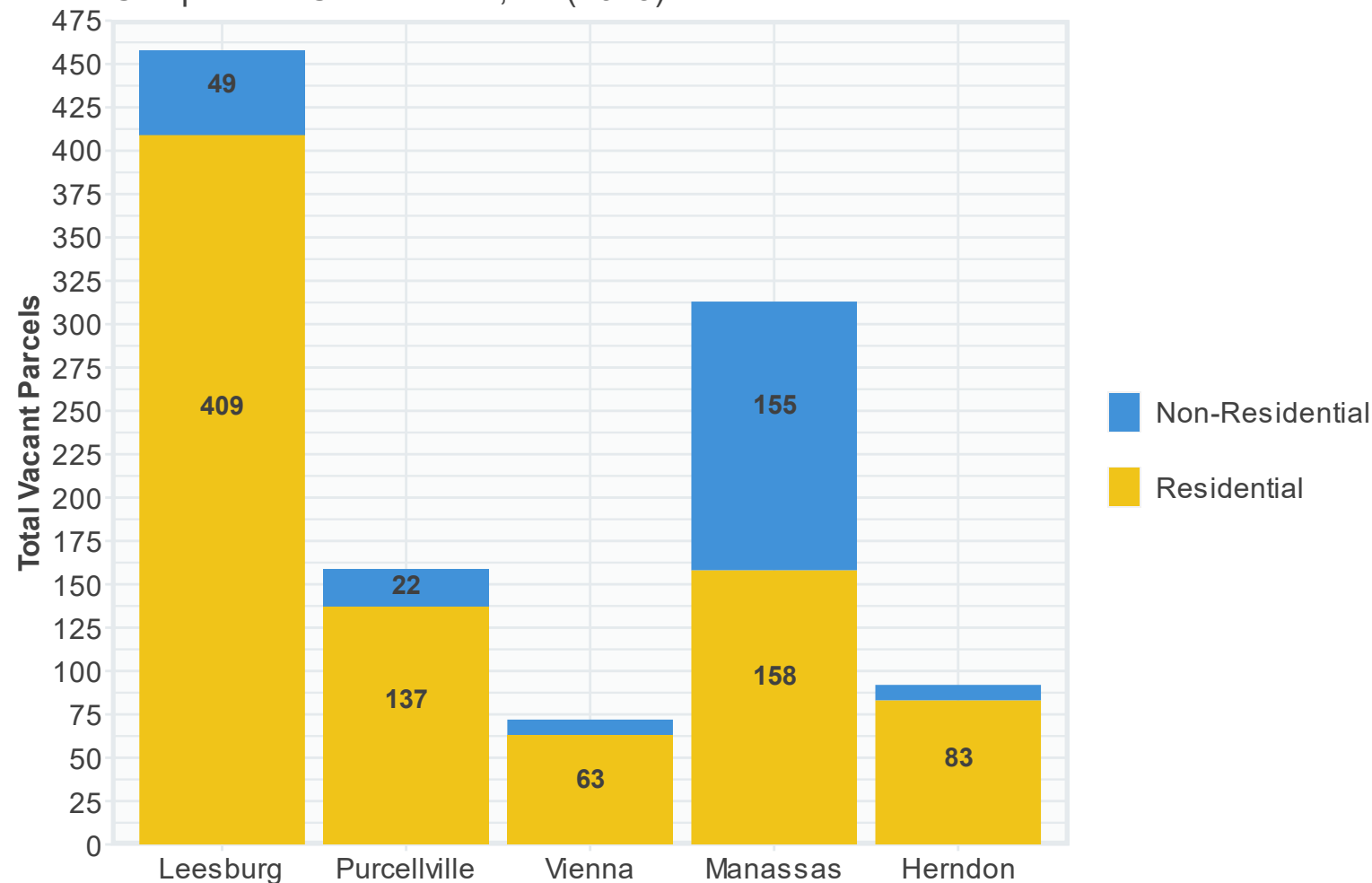
Total SF of Non-Exempt Building SF by Type
Comparable Communities, VA (2023)



Total Count of Non-Exempt Developed Parcels by Type

- **Manassas has largest proportion of non-residential vacant parcels**
 - More policy-focused on stimulating private-sector investments that expand employment base (especially in healthcare and technology)
- **Leesburg has the smallest proportion of non-residential vacant parcels**
 - Reflects zoning regulations focused on residential uses
 - Policies that preserve neighborhood residential character is prioritized
- **Vienna/Herndon largely built out**
 - Reflects D.C. urban sprawl
 - Opportunities moving SW towards Loudoun County
 - Route-15 intersection gives Leesburg competitive edge

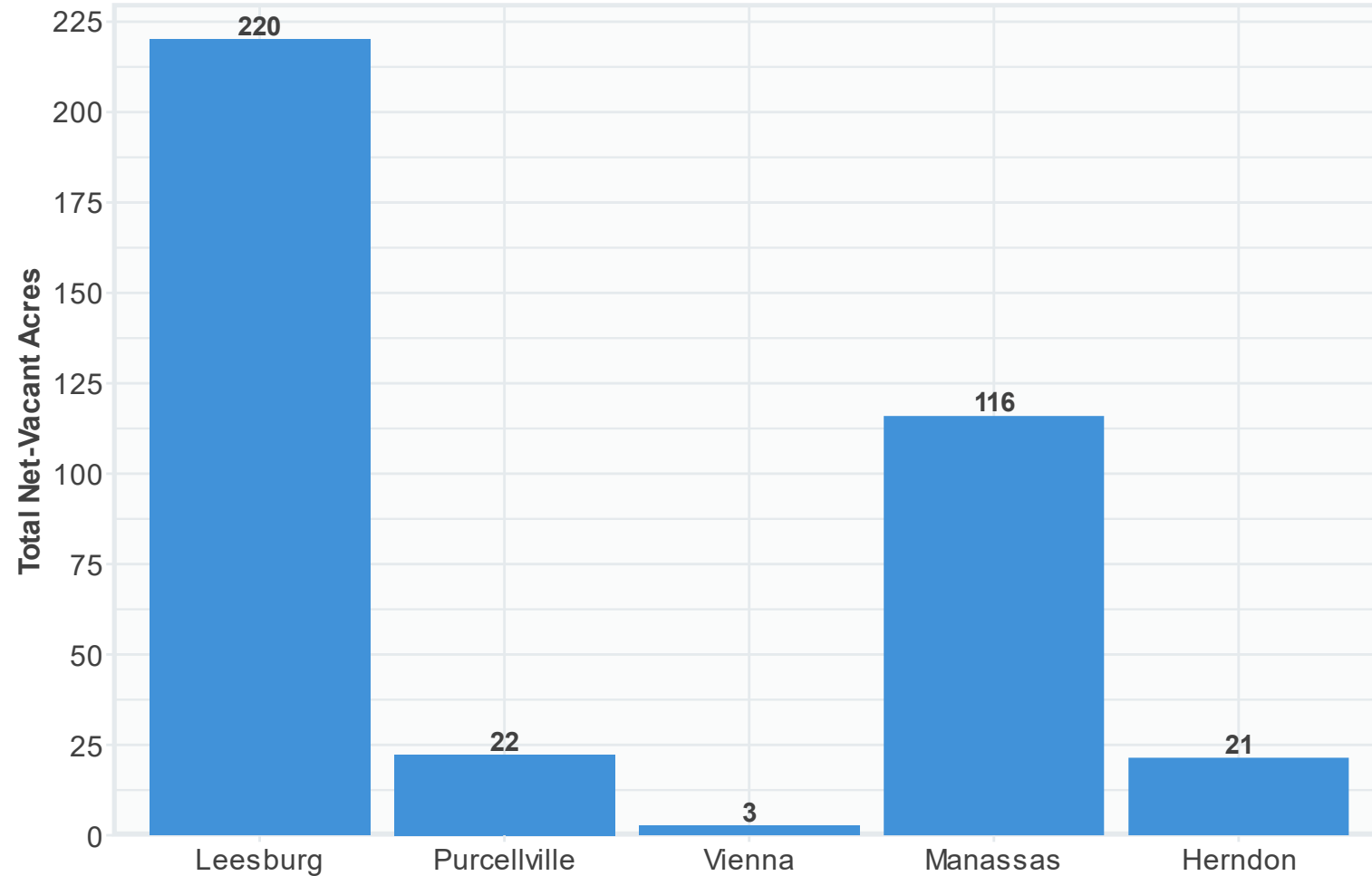
Total Count of Non-Exempt Vacant Parcels by Type
Comparable Communities, VA (2023)



Total Acres of Non-Exempt Net-Vacant Land by Type

- **Leesburg has the largest amount of non-residential vacant land available for development opportunities**
 - Almost 2x higher than the next community (Manassas)
 - Several non-residential development opportunities exist within their municipal boundaries
- **Large percentages of vacant land subjected to developmental limitations in Manassas**
 - Substantial acreage of vacant land not accounted for due to wetlands and slope limitations
 - Despite this, city is seeking to maximize land-use efficiencies for non-residential development

Total Acres of Non-Residential Net-Vacant Land
Comparable Communities, VA (2023)



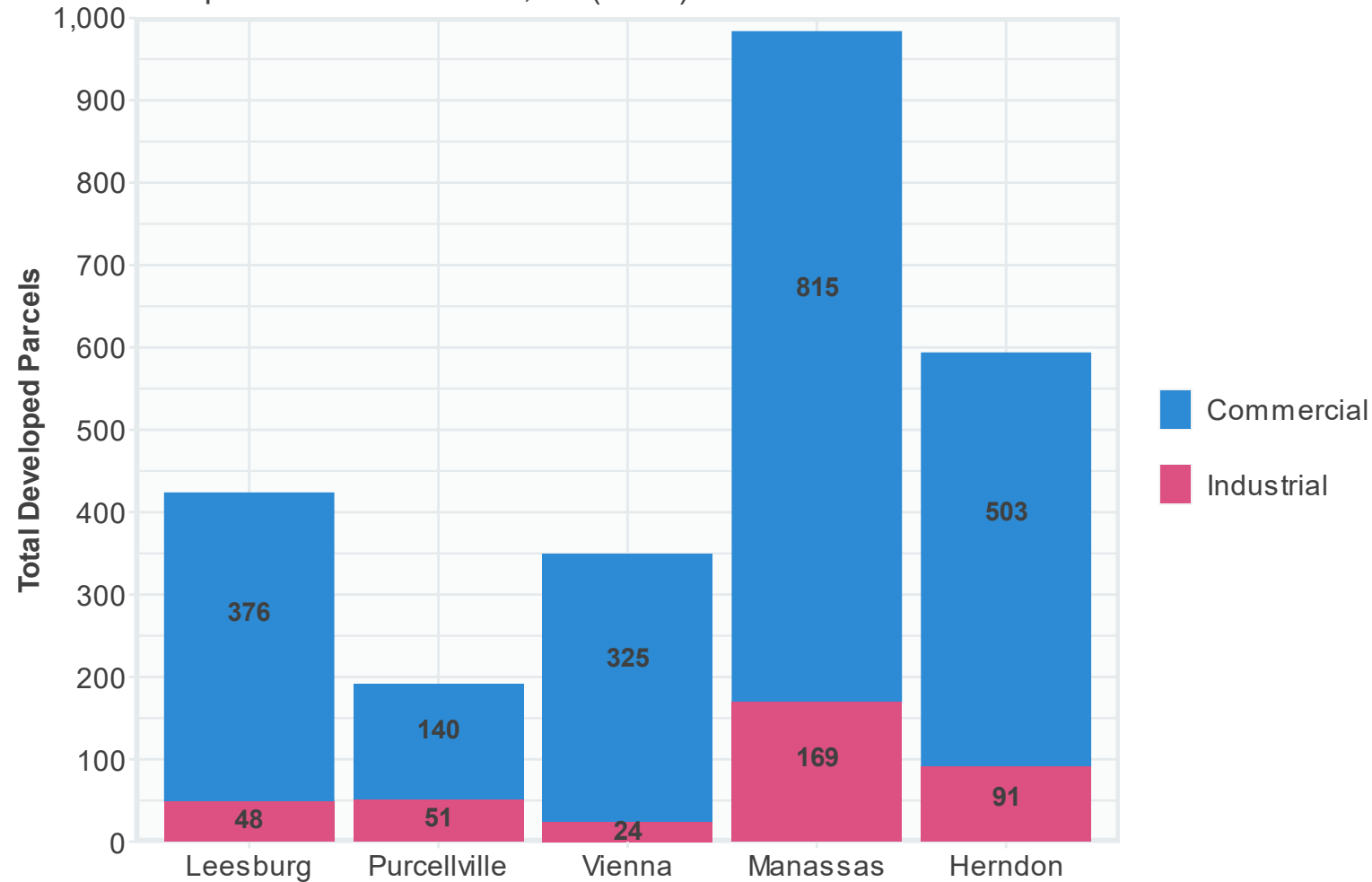
Non-Residential Parcels

Relative Proportions Between Commercial and Industrial Uses in Each Comparable Community

Total Count of Non-Residential Developed Parcels by Type

- Commercial properties divided between retail and office uses
- Share of commercial properties outweigh industrial properties
 - Retail uses constitute large proportions of commercial properties (especially in Vienna)
 - Office-uses, especially for professional/legal services serve major component in communities
 - Herndon part of Dulles Technology Corridor (access to fiber enables data centers operations)
 - Limitations for industrial uses (e.g., infrastructure requirements, insufficient land availability)

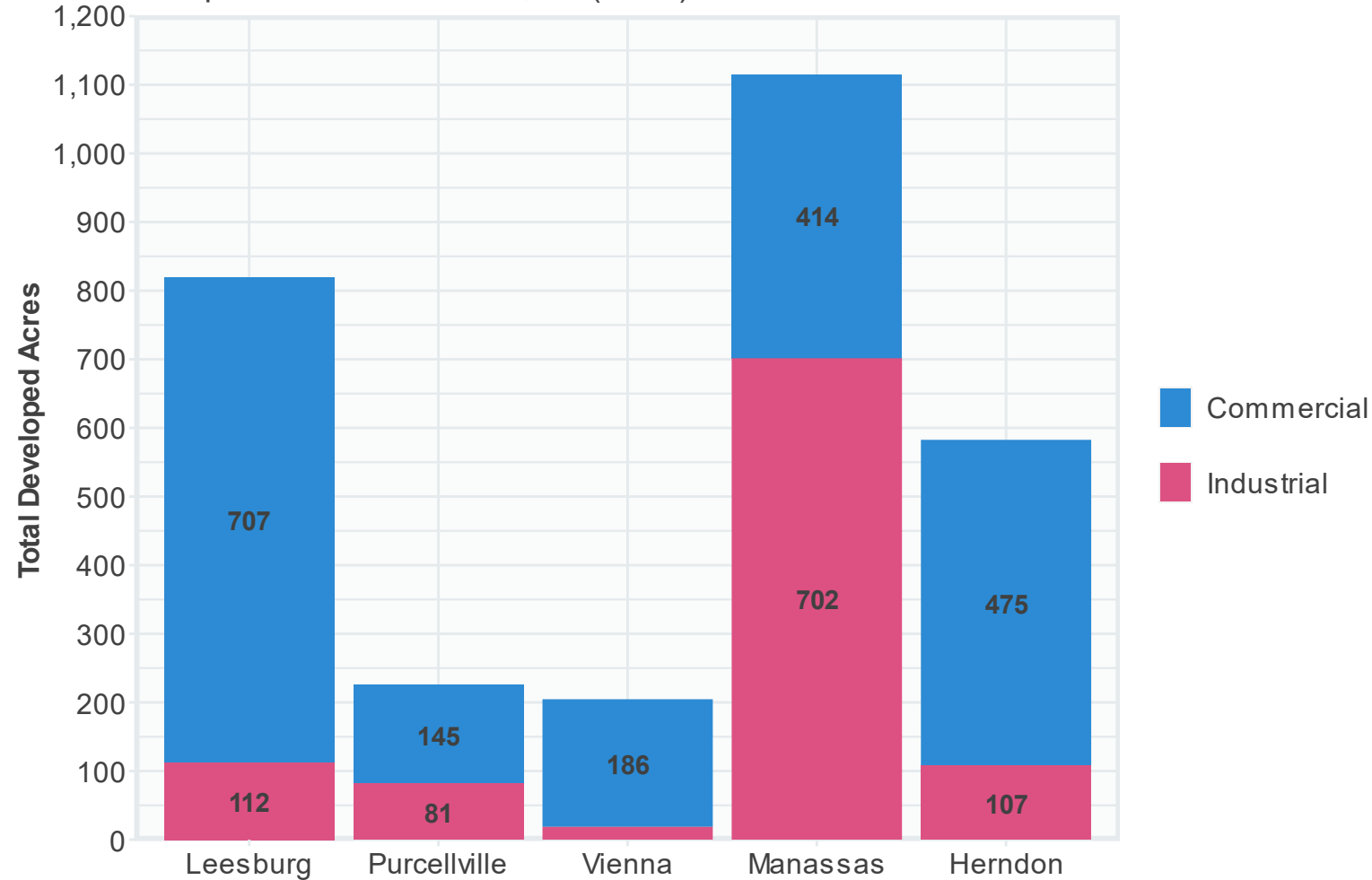
Total Count of Non-Residential Developed Parcels by Type
Comparable Communities, VA (2023)



Total Acres of Non-Residential Developed Land by Type

- **Manassas has the highest proportion of industrial developed land acreage**
 - Substantial acreage dedicated to warehouse/distribution functions
 - Reflects proximity to I-66 and accessibility to population centers
 - Purcellville also has substantial presence but on a lower operational scale (e.g., small-scale suppliers for regional businesses-to-business)
- **Leesburg developed land acreage is predominately commercial uses**
 - Several acres allocated to destination retail centers/shopping centers
 - Herndon has substantial acreage but mostly for larger office users

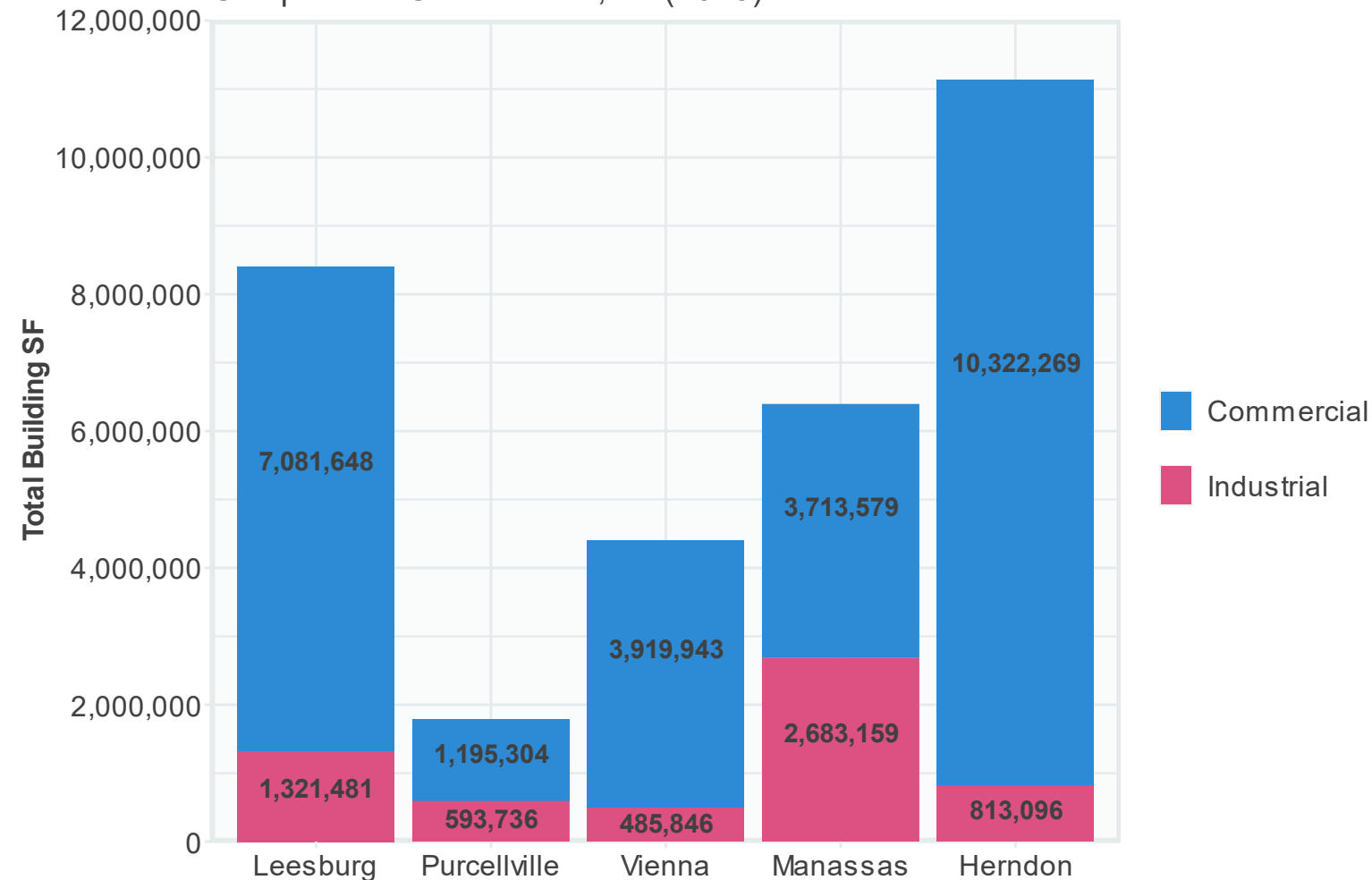
Total Acres of Non-Residential Developed Land by Type
Comparable Communities, VA (2023)



Total Building SF of Total Non-Residential Building SF by Type

- **Development densities are consistent except for Manassas**
 - Manassas industrial is at a much lower development density than commercial properties in the city
 - Reflective of economic development approaches of the communities
- **Herndon has the highest concentration of commercial uses comprising the total non-residential development within the municipality**
 - Herndon – 93%
 - Vienna – 90%
 - Leesburg – 84%
 - Purcellville – 67%
 - Manassas – 58%

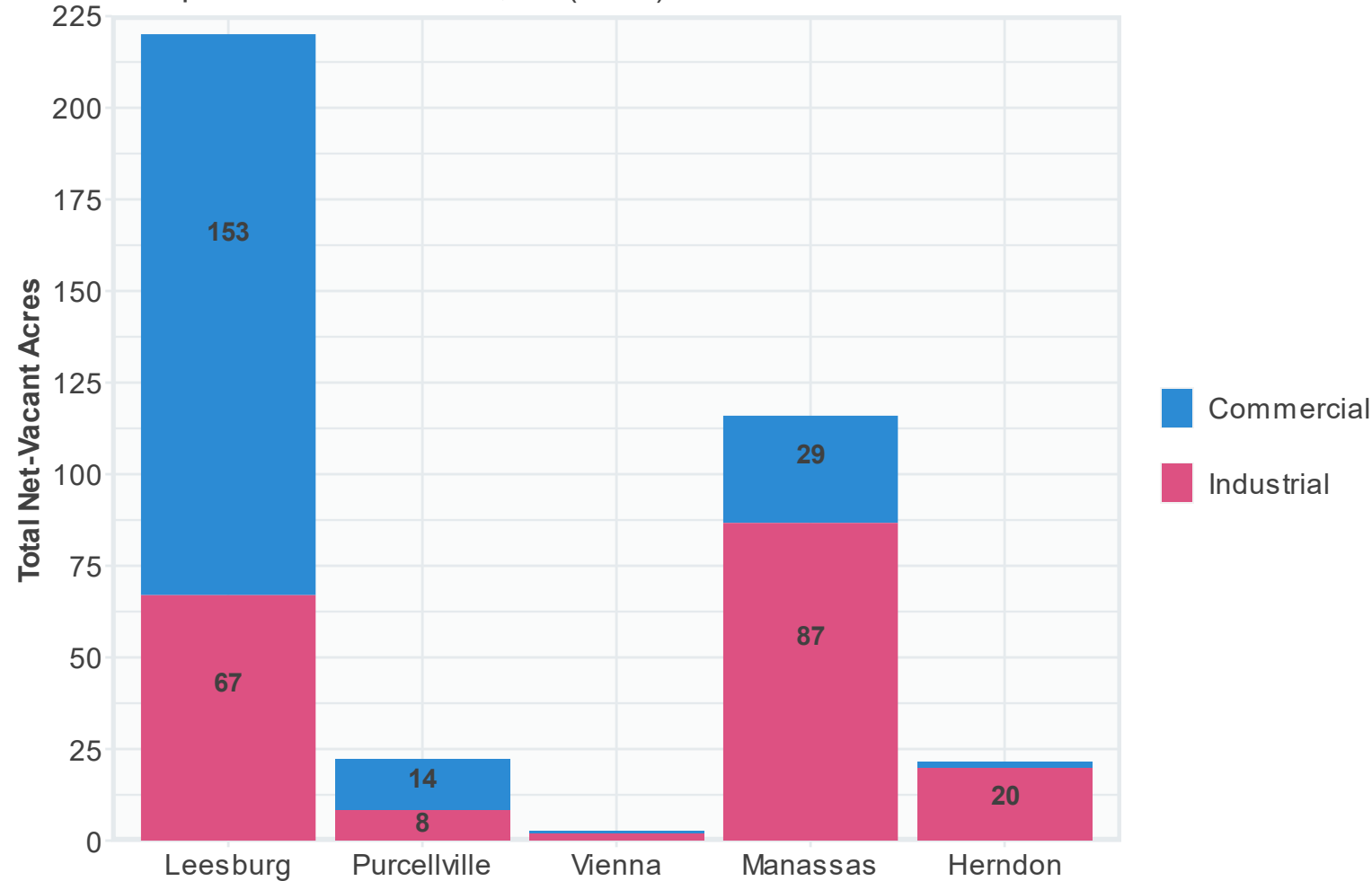
Total SF of Non-Residential Building SF by Type
Comparable Communities, VA (2023)



Total Acres of Non-Residential Net-Vacant Land by Type

- **Quantity of net-vacant commercial land in Leesburg 5x higher than the next community (Manassas)**
 - Leesburg is more of a hub for retail/services
 - Manassas is better equipped for production-based operations (Access to I-66)
- **Regulatory tools are an option for transitioning from commercial to industrial or vice versa**
 - Mayfair Industrial, evolving industrial park in Purcellville was rezoned to support projects
 - Planned Employment Center (PEC) zone in Leesburg has supported both commercial uses (Chick-fil-A) and industrial uses (EIT—Electronics Manufacturer)

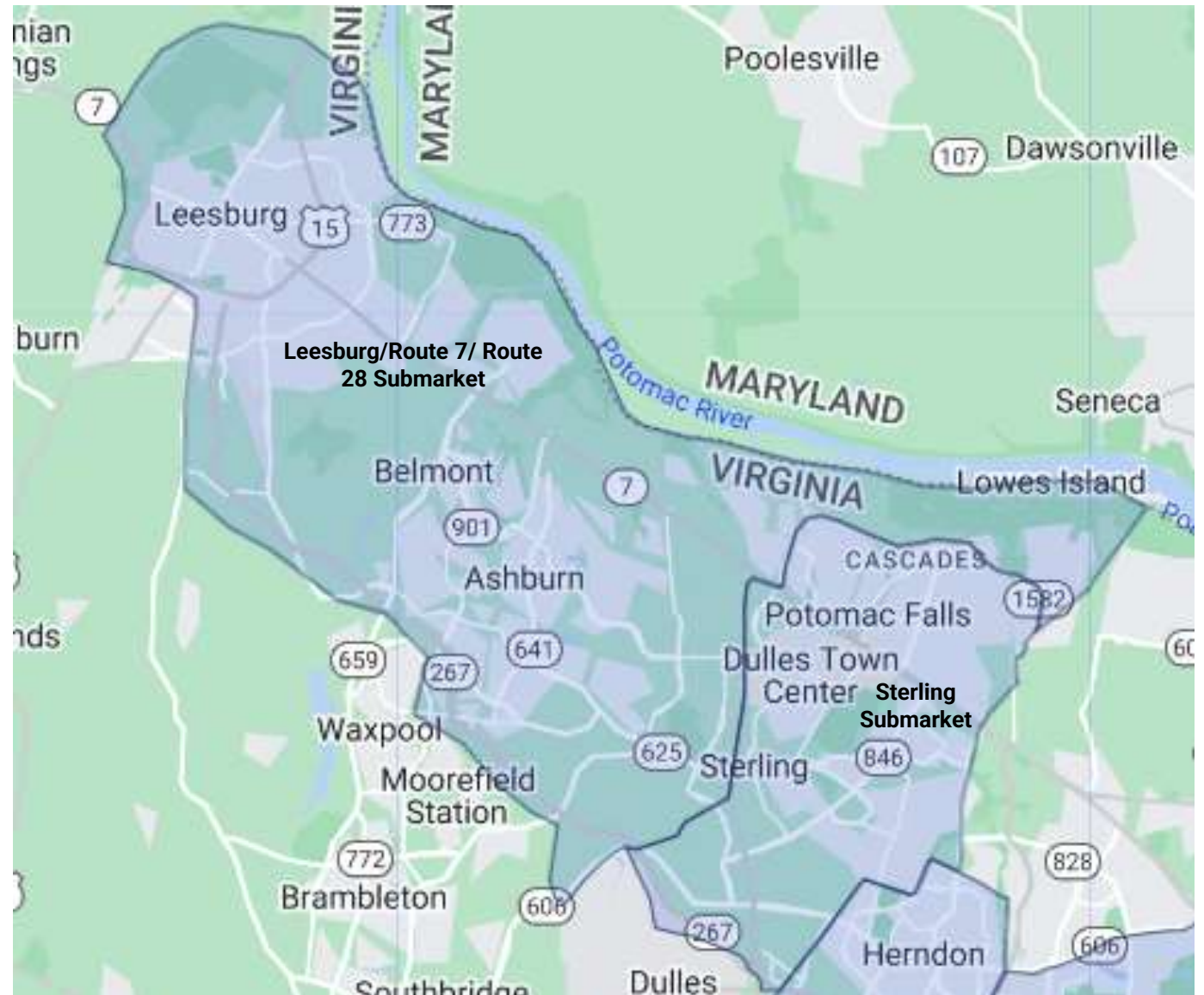
Total Acres of Non-Residential Net-Vacant Land by Type
Comparable Communities, VA (2023)



Non-Residential Market Assessment

Office Submarket Boundaries

- **Analysis focused on Leesburg/Route 7/Route 28 Submarket**
 - Boundaries defined by REIS
 - Leesburg/Route 7/Route 28- includes Ashburn and Leesburg
 - Adjacent to the Sterling Submarket- Includes Sterling and Dulles Town Center
- **In Loudoun, most inventory expansions among leasable spaces occurred around Leesburg/Route 7/Route 28**
 - Nearly 85% were conversions from other use types with minimal new construction
 - Sterling submarket's leasable inventory underwent minimal expansions
 - Reflects how office space development is largely ownership/single-tenant (e.g., federal contractors, hospital systems)

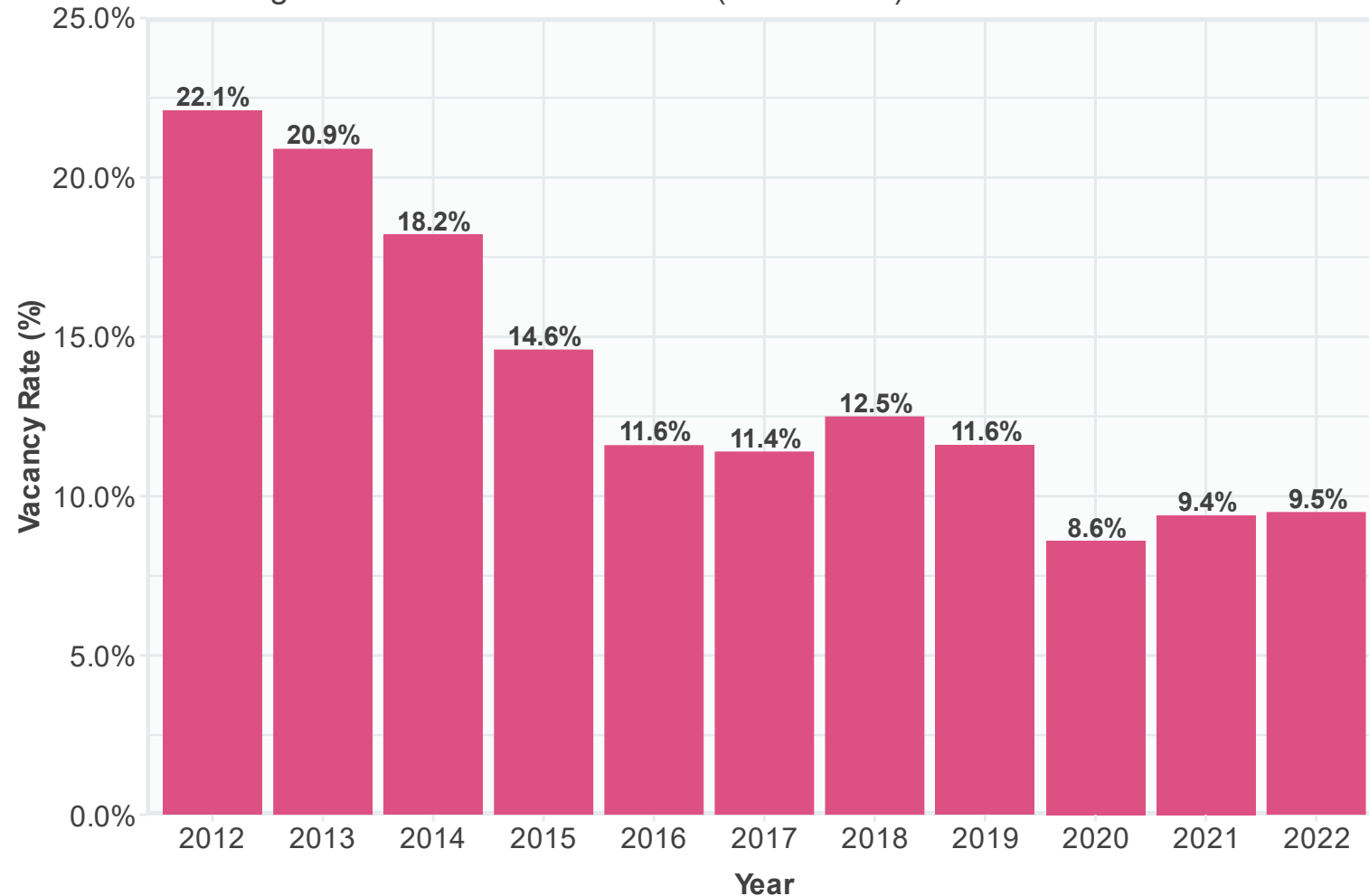


Office Submarket Trends-Vacancy Rates

- **Vacancy rates have been declining over the previous decade in each submarket**
 - Rising occupancies demonstrate upward demand for office space
 - Justifies conversions to address market demand
 - Conversions ranging from flex/industrial structures to single-family homes (notable representation in Leesburg)
 - New construction could be feasible, but scaled at different ranges based on county location (e.g., Leesburg- 10,000 SF or less)

Office Inventory Market Trends : Vacancy Rates

Leesburg/Route 7/Route 28 Corridor (2012-2022)

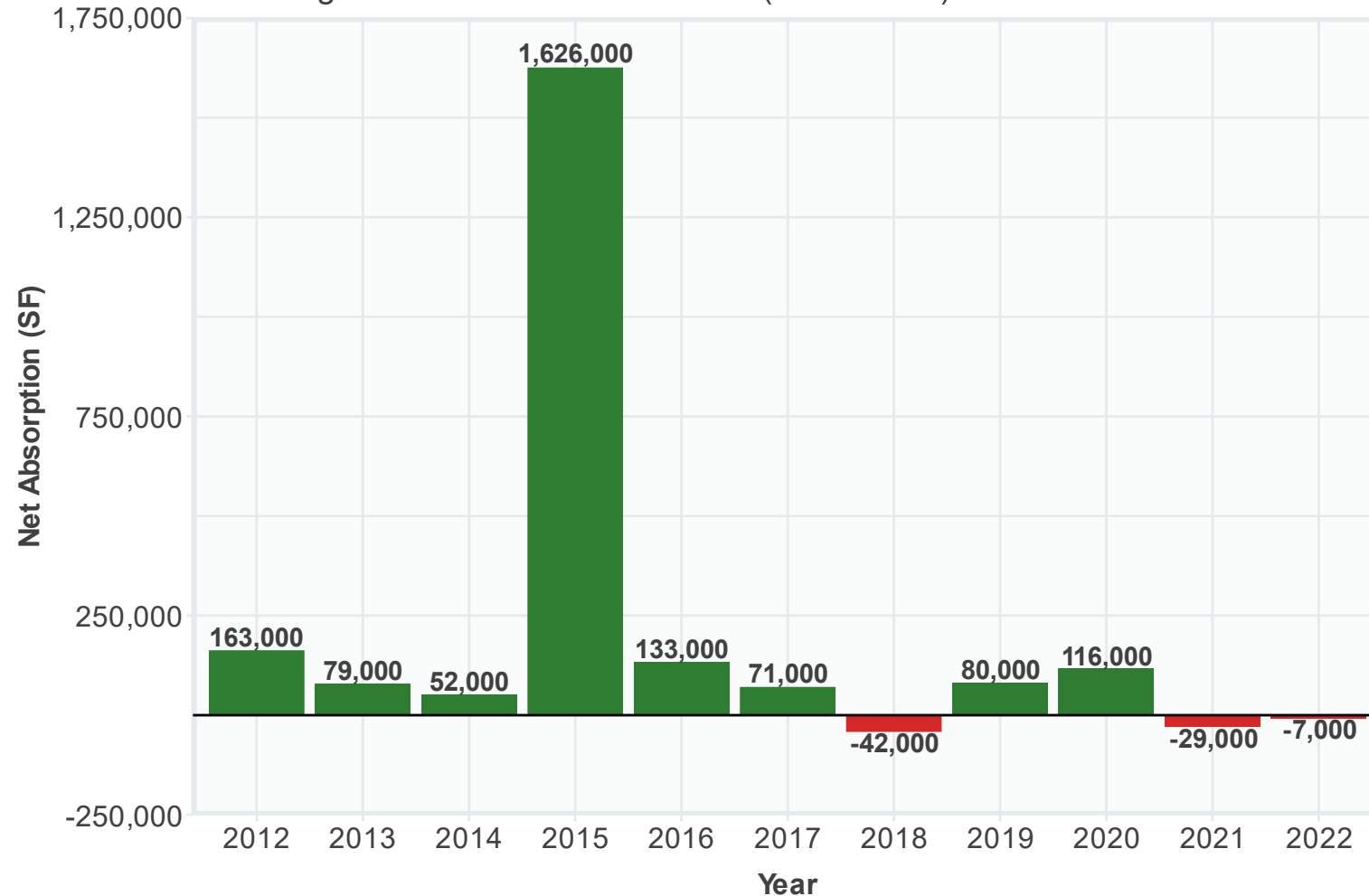


Office Submarket Trends-Net Absorption

- **Positive absorption rates occurred over the previous decade**
 - Y-o-Y consistency reflects absorptions into existing spaces rather than new construction
 - 2015 outlier reflects sale and leaseback agreement to Verizon at Quantum Park (developed in 2000)
- **In part, negative absorption past 2020 reflects discontinued leases following COVID-19 pandemic**
 - Fueled by work-from-home trends
 - Downsizing is projected among many tenants
 - Leesburg's smaller scaled spaces could become more attractive

Office Inventory Market Trends: Net Absorption (SF)

Leesburg/Route 7/Route 28 Corridor (2012-2022)

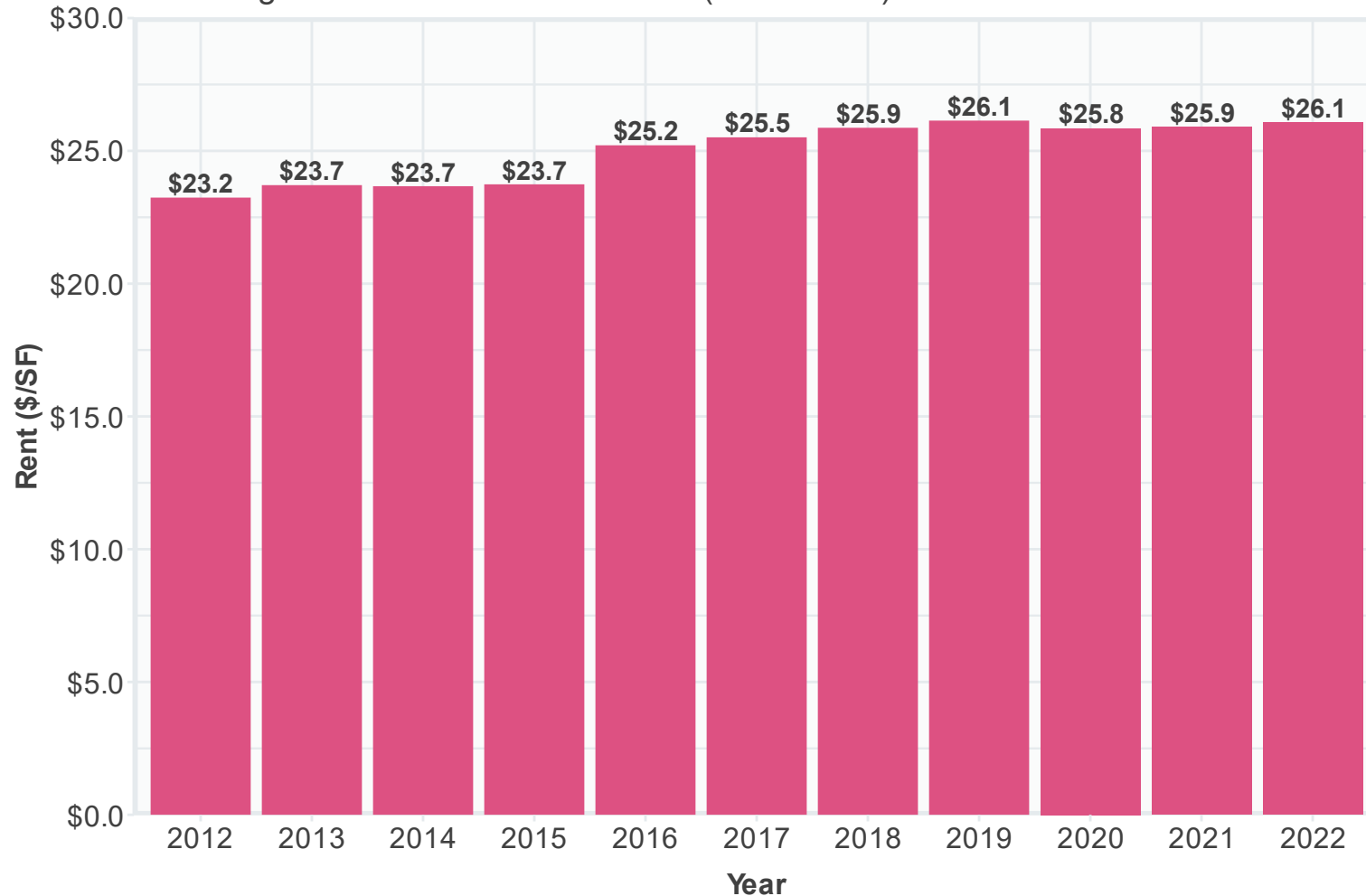


Office Market Trends-Asking Rents

- **Asking rents have been increasing over the previous decade**
 - Differentiates from many suburban marketplaces nationwide
 - Shifts in supply/demand fueling increases
- **Slight decline in 2020-2021 reflects reduced demand and incentive to attract tenants**
 - Driven by COVID-19 workplace dynamics
 - Back to pre-pandemic rates

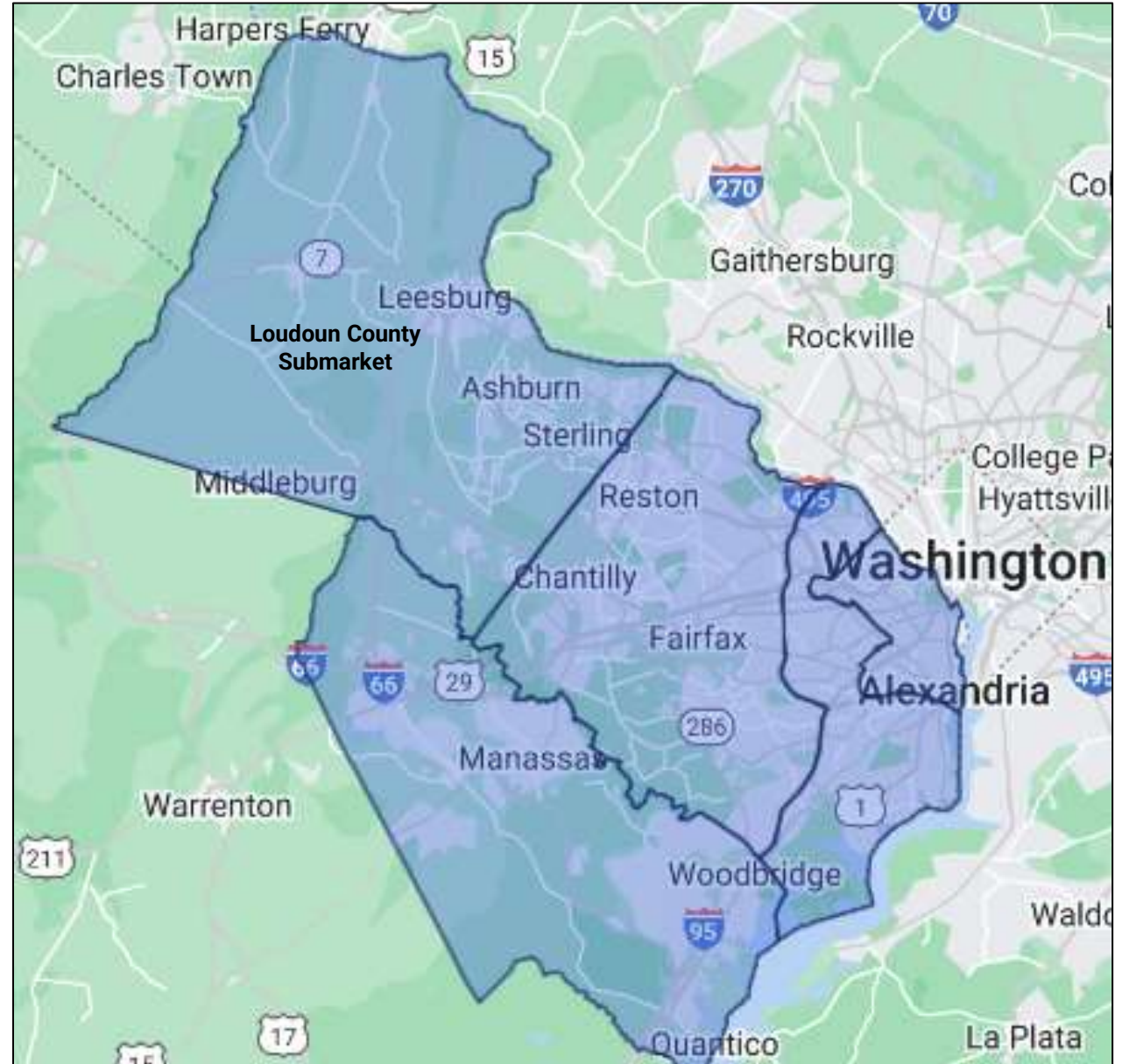
Office Inventory Market Trends: Asking Rents Per Square Foot

Leesburg/Route 7/Route 28 Corridor (2012-2022)



Retail Submarket Boundaries

- **Analysis focused on the Loudoun County Submarket**
 - Includes all of Loudoun County
- **Submarket offerings continues to diversify in scope and scale**
 - Several neighborhood retail outlets built to serve residential subdivisions and accommodate household base expansions
 - Shopping centers becoming increasingly outmoded
 - Town-center style developments with experiential retailers fueled by demand for walkable/vibrant 'urbanesque' environments
 - D.C. metro rail continuing to push town-center style developments

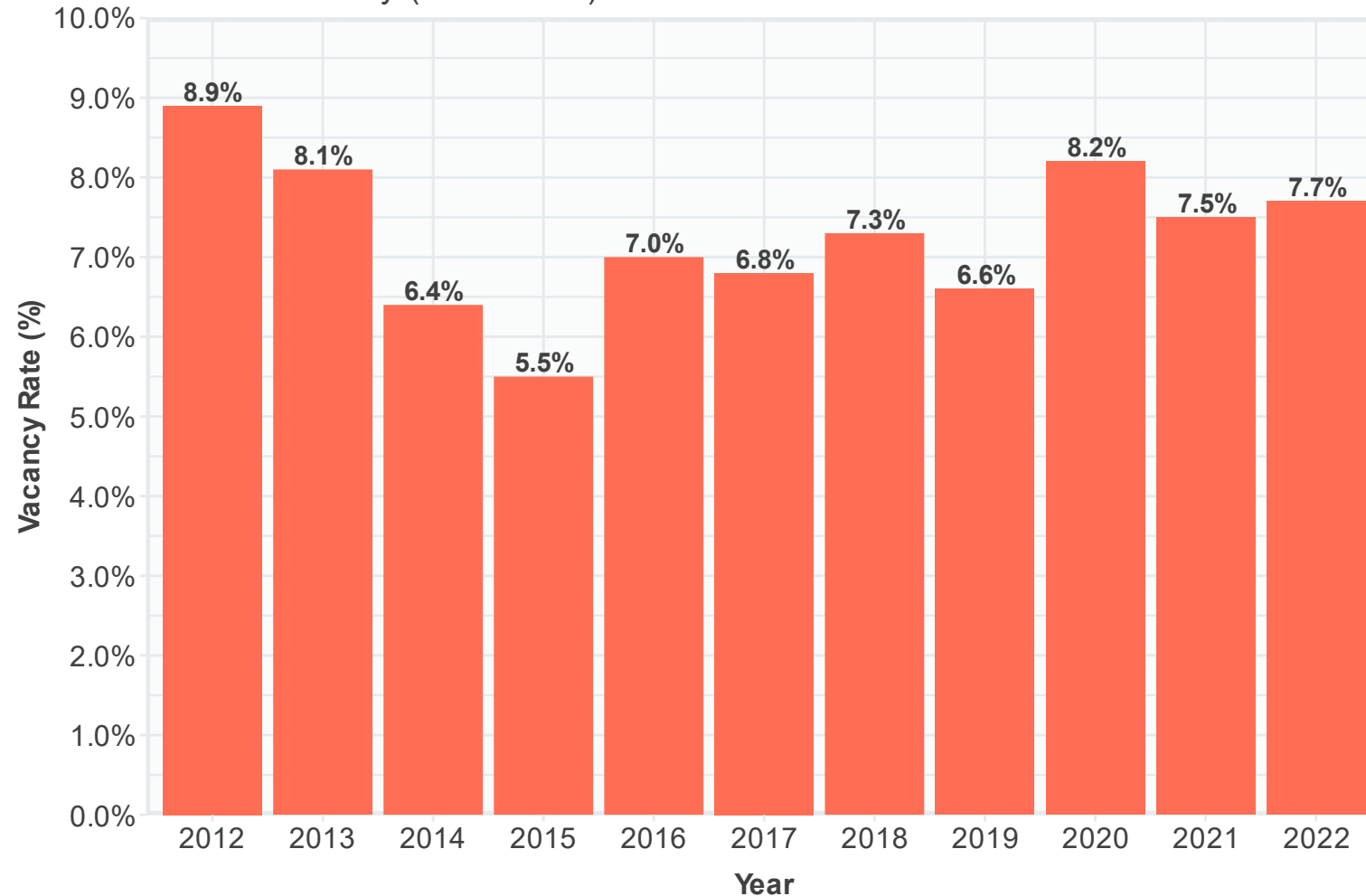


Retail Market Trends-Vacancy Rates

- **Vacancy rates declined but began to trend upward**
 - Expansions to consumer base fueled demand for ancillary services (e.g., restaurants, grocery stores)
 - Growth of retail kept pace with changing demand/shift of shopping to Ecommerce
- **Impacts of COVID-19 felt, but market is resilient**
 - Spike in vacancy evident in 2020
 - However, recovery was quick, with vacancies falling in 2021
 - That said, market remains uncertain as retail continues to adjust to 'new normal'

Retail Inventory Market Trends: Vacancy Rates

Loudoun County (2012-2022)

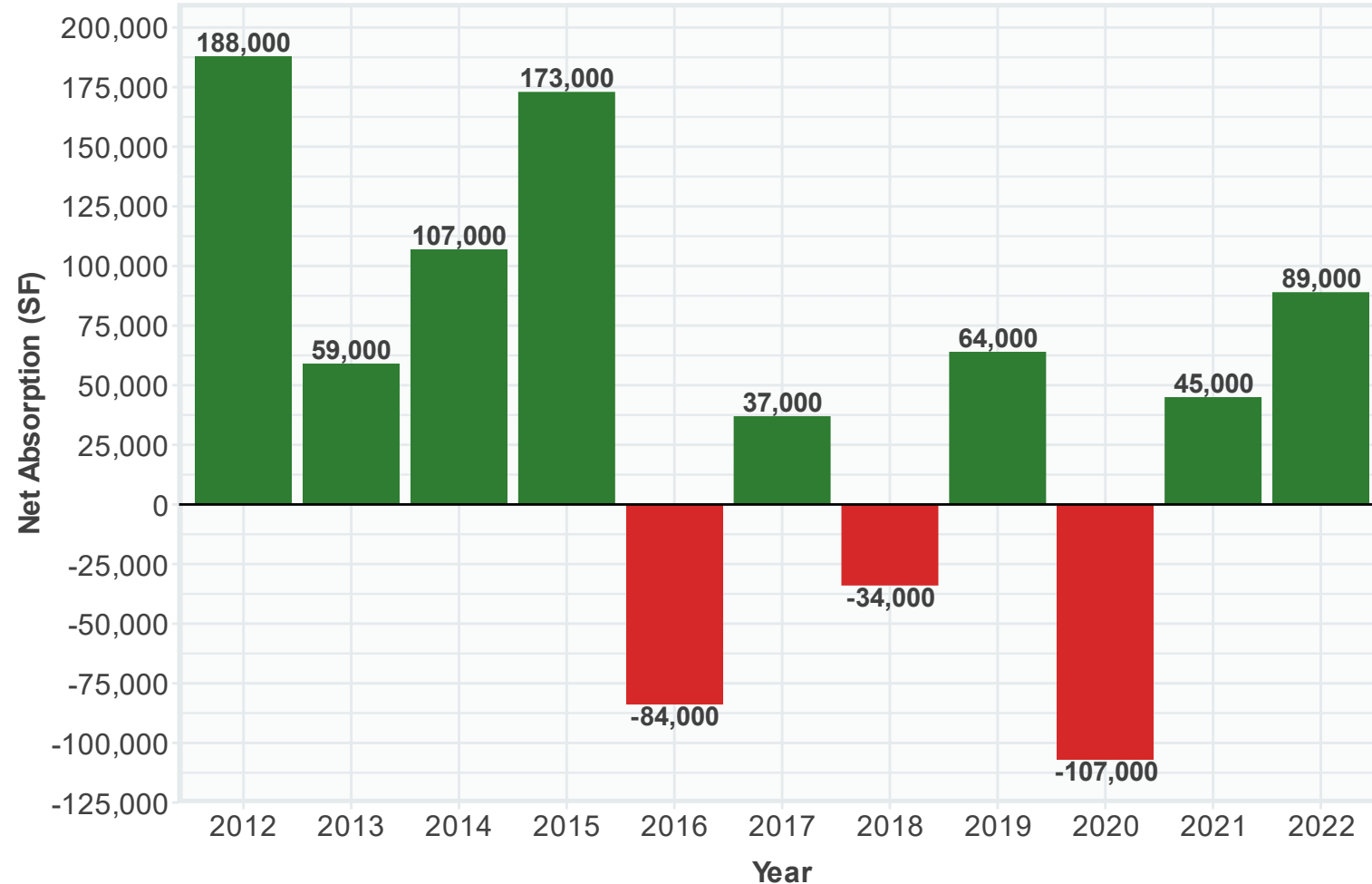


Retail Market Trends-Net Absorption

- **Positive net-absorption fueled by expansions to consumer base**
 - Driven by growth of households and workers
- **Negative absorption rates attributed to shifts in consumer preferences**
 - Outmoded shopping centers
 - Could be reflective of conversions to other uses types (e.g., retail to office)
- **Positive net-absorption rates following pandemic**
 - Developments typologies shifting to address market demand/corrections (Town-Center Style Developments)
 - Future construction activities focused on continuing Town-Center Style developments (Kincora, Rivana at Innovation Station)

Retail Inventory Market Trends: Net Absorption (SF)

Loudoun County (2012-2022)

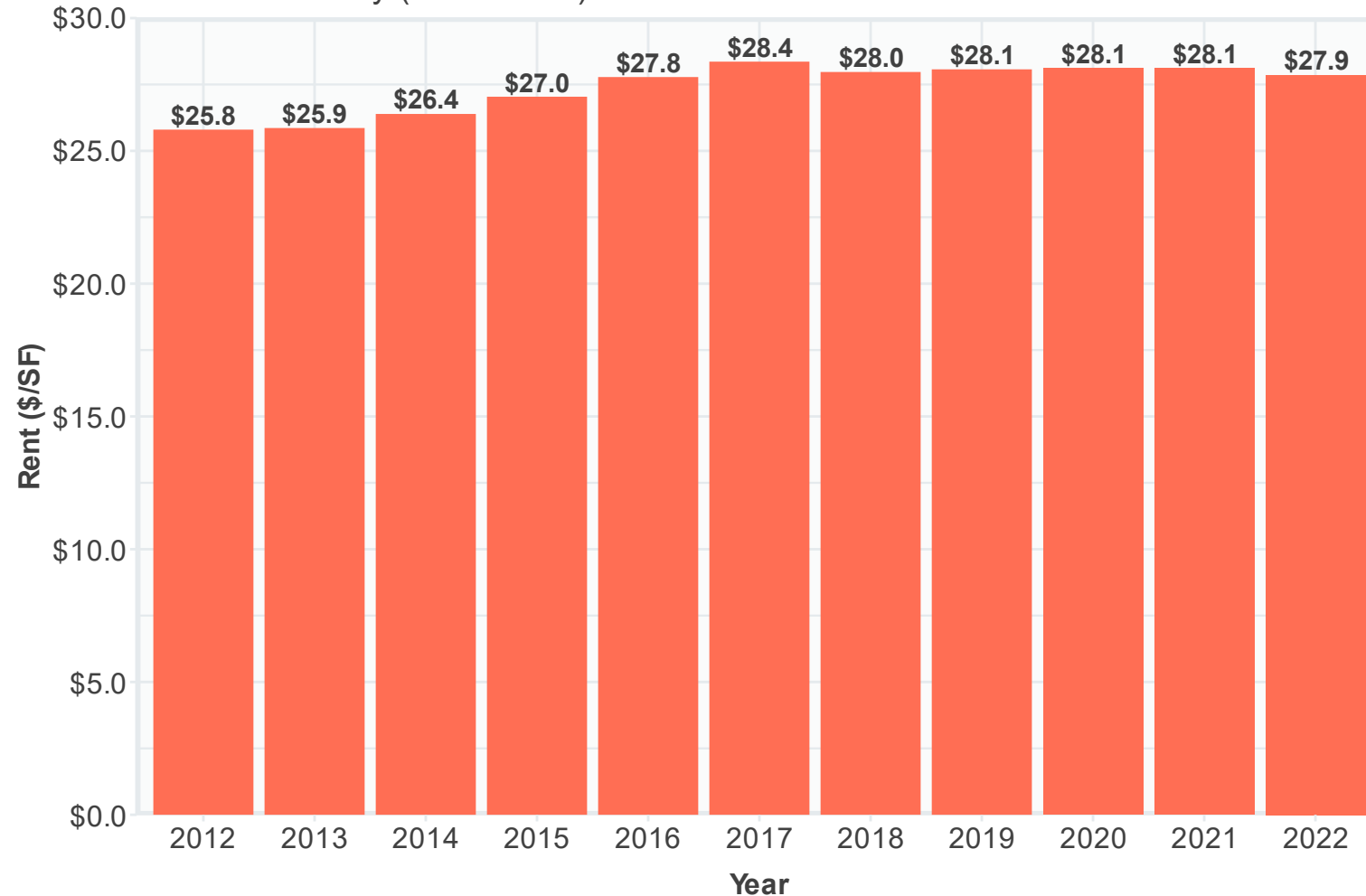


Retail Market Trends-Asking Rents

- **Trends in retail asking rents reflect evolving markets and impact of pandemic**
 - Prior to 2018, rents escalated at a steady pace
 - Evolving consumer behaviors (E-commerce) and the pandemic flattened asking rent changes
- **Decline in asking rents in 2022 reflective of uncertainty about the future**
 - Projects under development continue adding supply while 'bricks and mortar' demand has slowed

Retail Inventory Market Trends: Asking Rents Per Square Foot

Loudoun County (2012-2022)



Industrial Submarket Boundaries

- **Industrial submarkets more specific due to the limited amount of industrial activity in Northern Virginia**
 - Very small area in Loudoun County with industrial development (around Dulles Airport along VA 7)
- **While there is some industrial activity in Leesburg, there isn't enough to warrant active tracking by large real estate analytics companies**
 - Airport North subarea stops south of the town



Flex-R&D Market Trends-Vacancy Rates

- **Vacancy rates among Flex-R&D spaces experienced fluctuations but dropped to unprecedented levels**

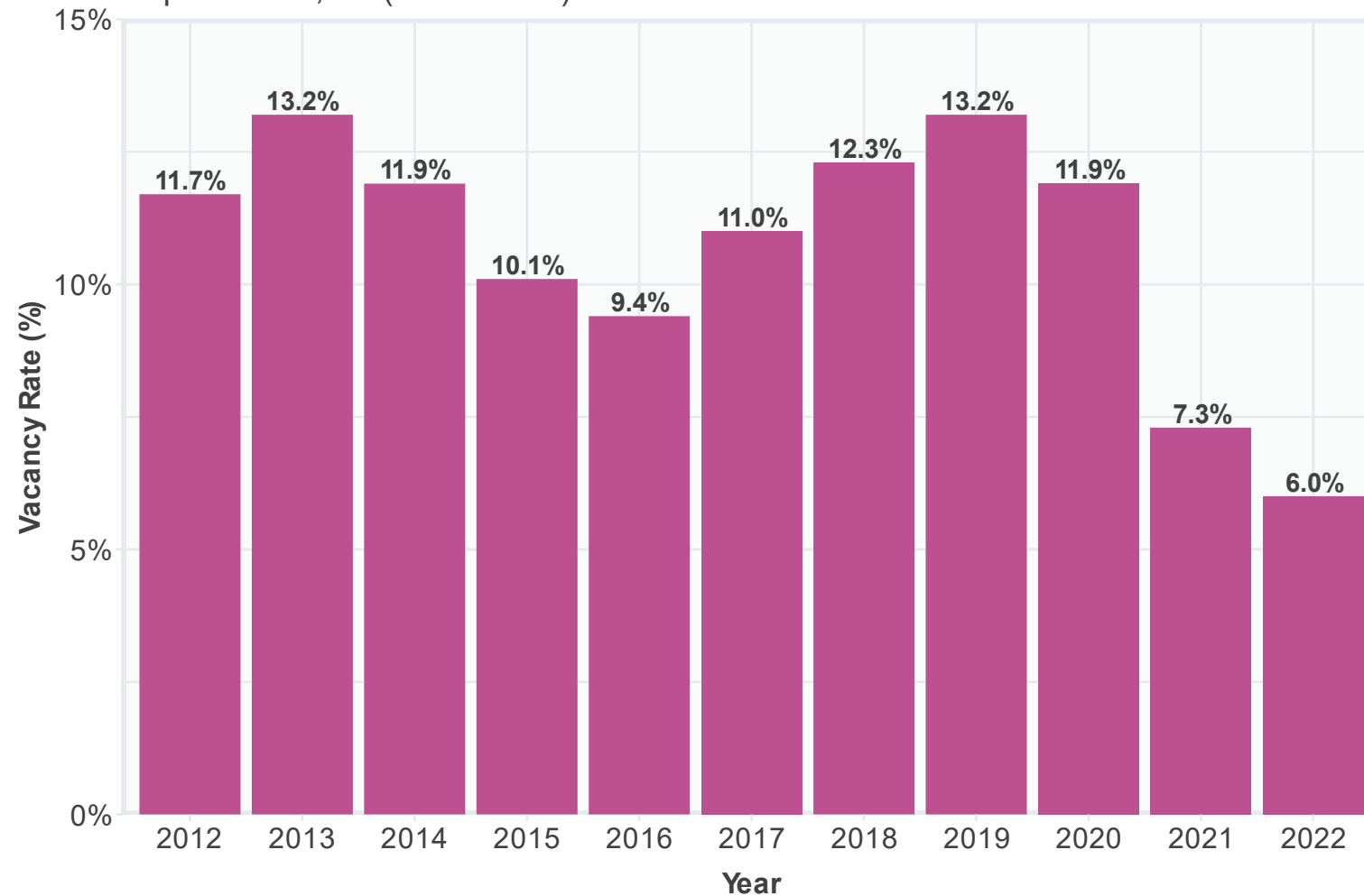
- Demand for spaces caught up with rapid construction activities stemming from speculative developments
- Light production/R&D operations underwent expansions contributing to drops in vacancies

- **Operations other than Light Production/R&D could be driving demand**

- Office and retail tenants can secure reduced lease prices
- Many spaces in Leesburg's represented by other uses

Flex-R&D Market Trends: Vacancy Rates

Airport North, VA (2012-2022)

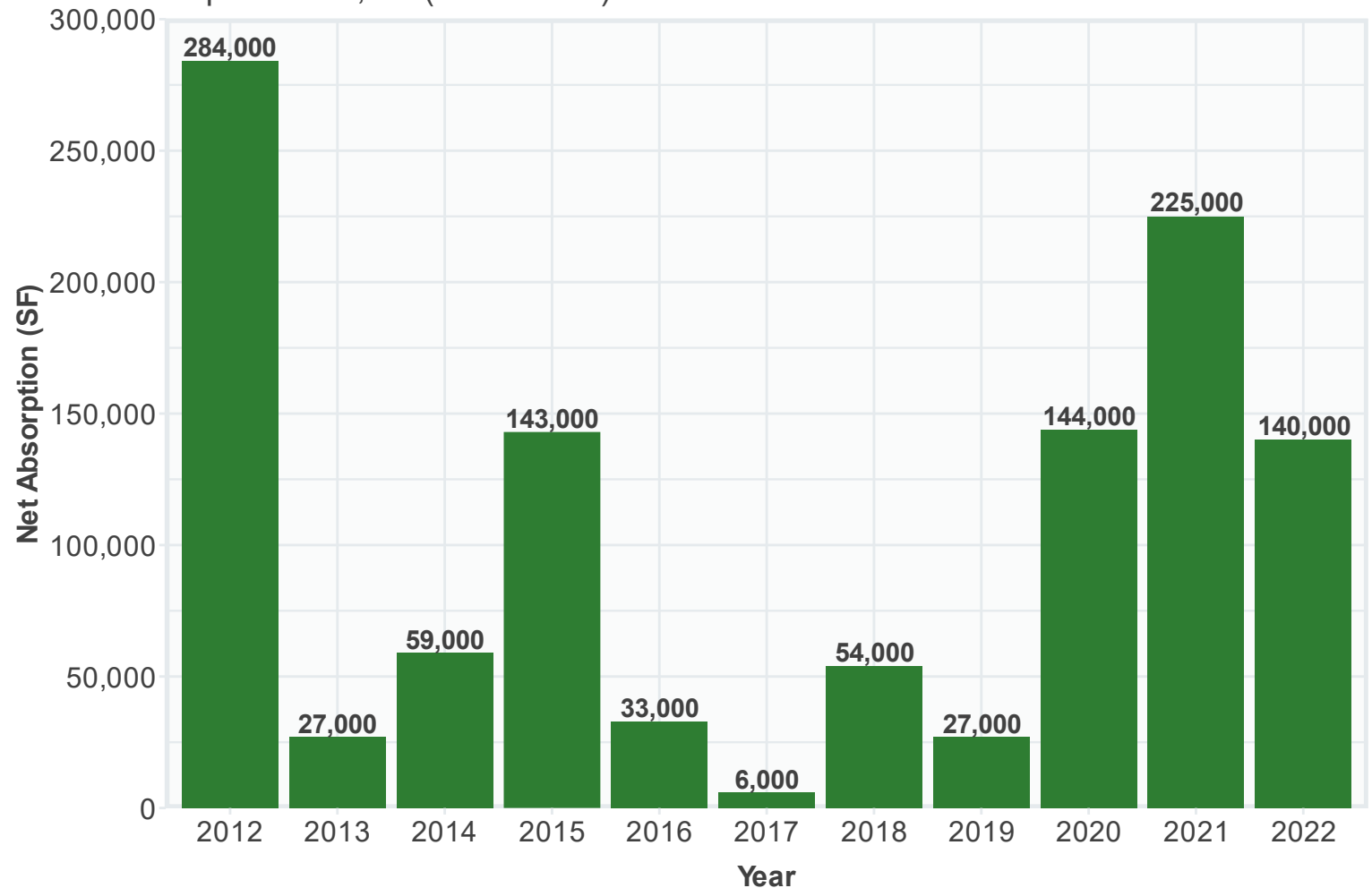


Flex-R&D Market Trends-Net Absorption

- **Positive absorption rates consistent through previous decade**
 - Reflects high-demand for spaces across multiple industry sectors
 - Rising rents in commercial activity centers stimulating demand from office and retail users
 - Retail users need less of a physical storefront to run their operations due to ecommerce trade

Flex-R&D Market Trends: Net Absorption (SF)

Airport North, VA (2012-2022)

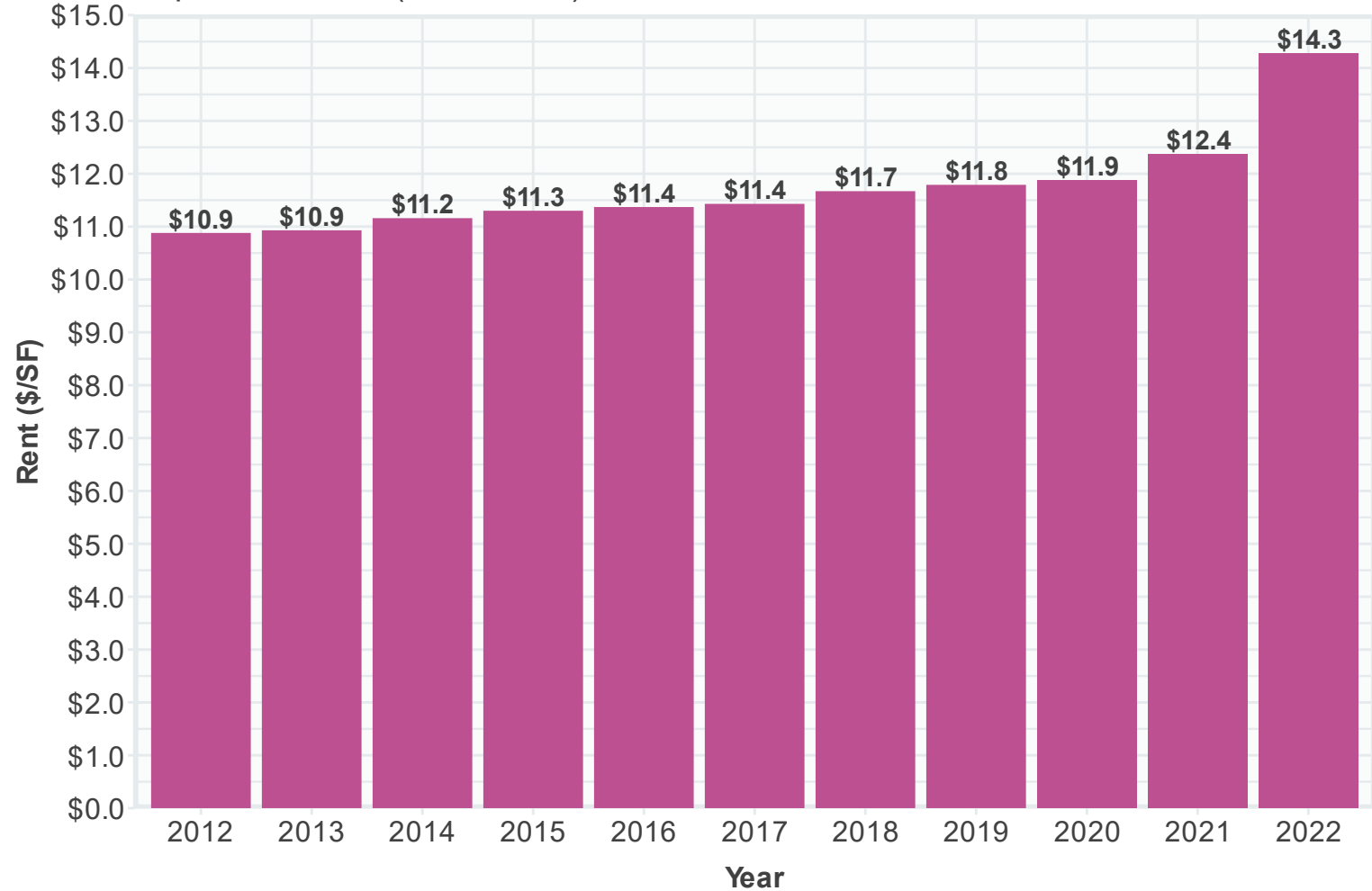


Flex-R&D Market Trends-Asking Rents

- Rising rents reflective of intensified demand and construction constraints
 - Rents at all time high
 - Construction beginning to not keep up with pent-up demand
 - Building new spaces increasingly difficult due to escalating land costs—data centers and residential uses
 - Construction activities beginning to move westward towards Leesburg (Leesburg Tech Park)

Flex-R&D Market Trends: Asking Rents Per Square Foot

Airport North, VA (2012-2022)

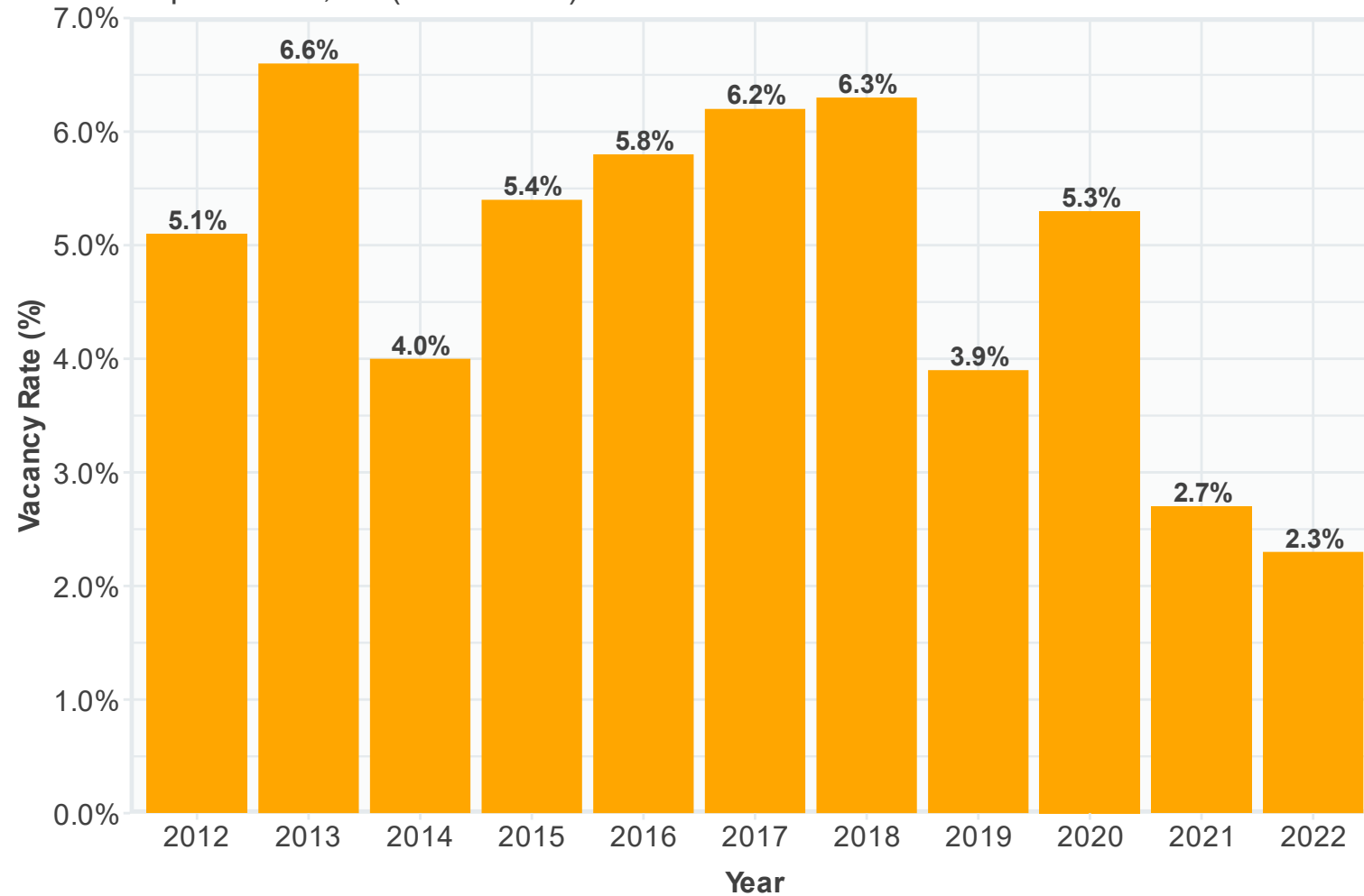


Warehouse/Distribution Market Trends-Vacancy Rates

- Warehouse space vacancies following similar pattern to Flex/R&D spaces
 - Fluctuating vacancies followed by substantial drops
 - Speculative development activities are less than Flex/R&D spaces, however
 - Users from multiple sectors speeding up leasing activities of existing spaces
 - Retail users capitalizing on spaces amid E-Commerce demand-partitioning spaces into showrooms, inventory stockrooms, distribution areas etc.

Warehouse/Distribution Inventory Market Trends: Vacancy Rates

Airport North, VA (2012-2022)

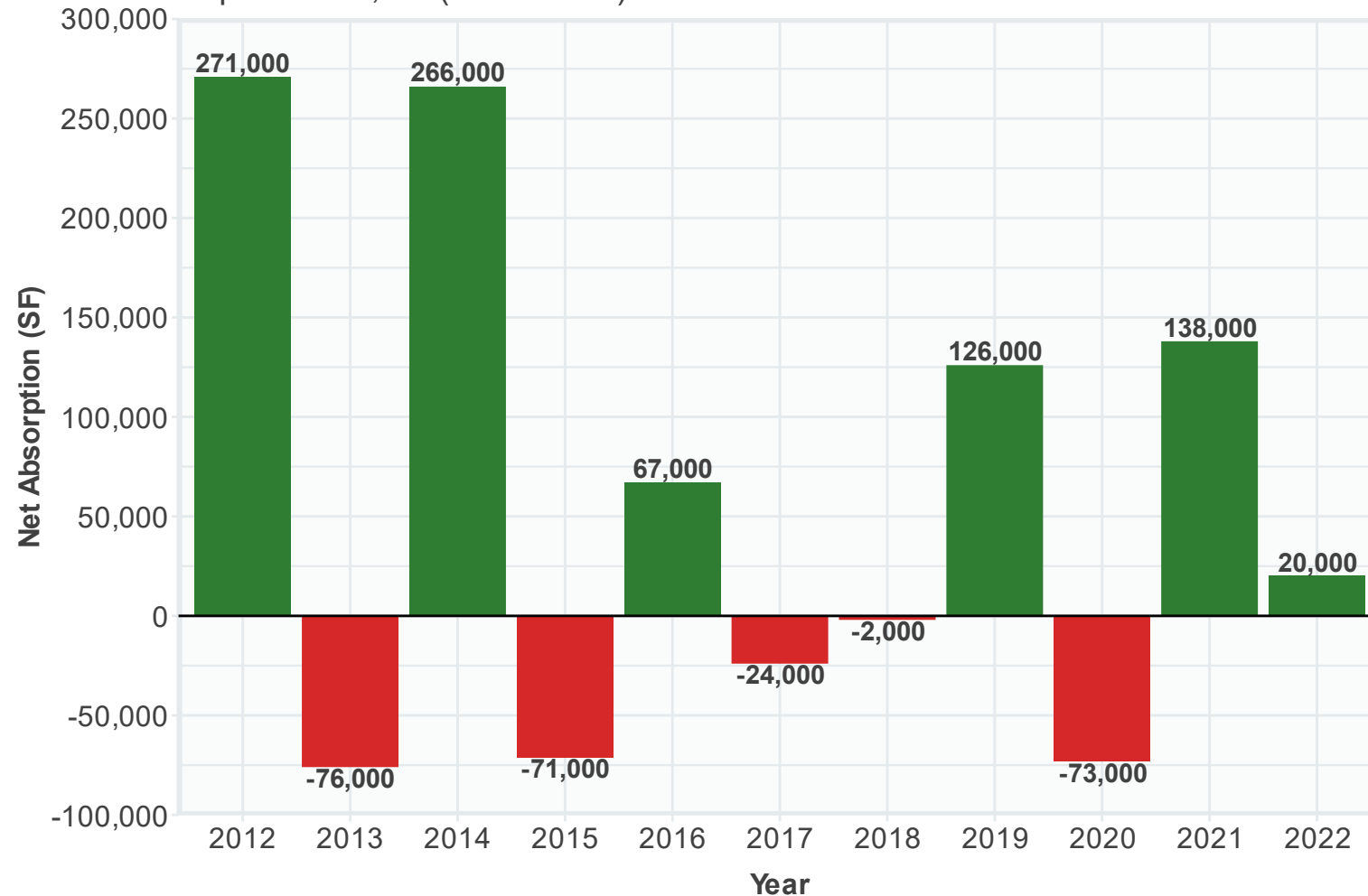


Warehouse/Distribution Market Trends-Net Absorption

- **Positive absorption rates driven by multiple sectors**
 - Distribution/logistics economy less of a factor
- **Net-absorption amounts lower than Flex/R&D market**
 - Supply is minimal and most recent expansions are predominately for self-storage facilities on the ownership market (e.g., CubeSmart, LifeStorage)
 - Competitive edge of datacenters and Flex/R&D will limit future construction activities

Warehouse/Distribution Inventory Market Trends: Net Absorption (SF)

Airport North, VA (2012-2022)

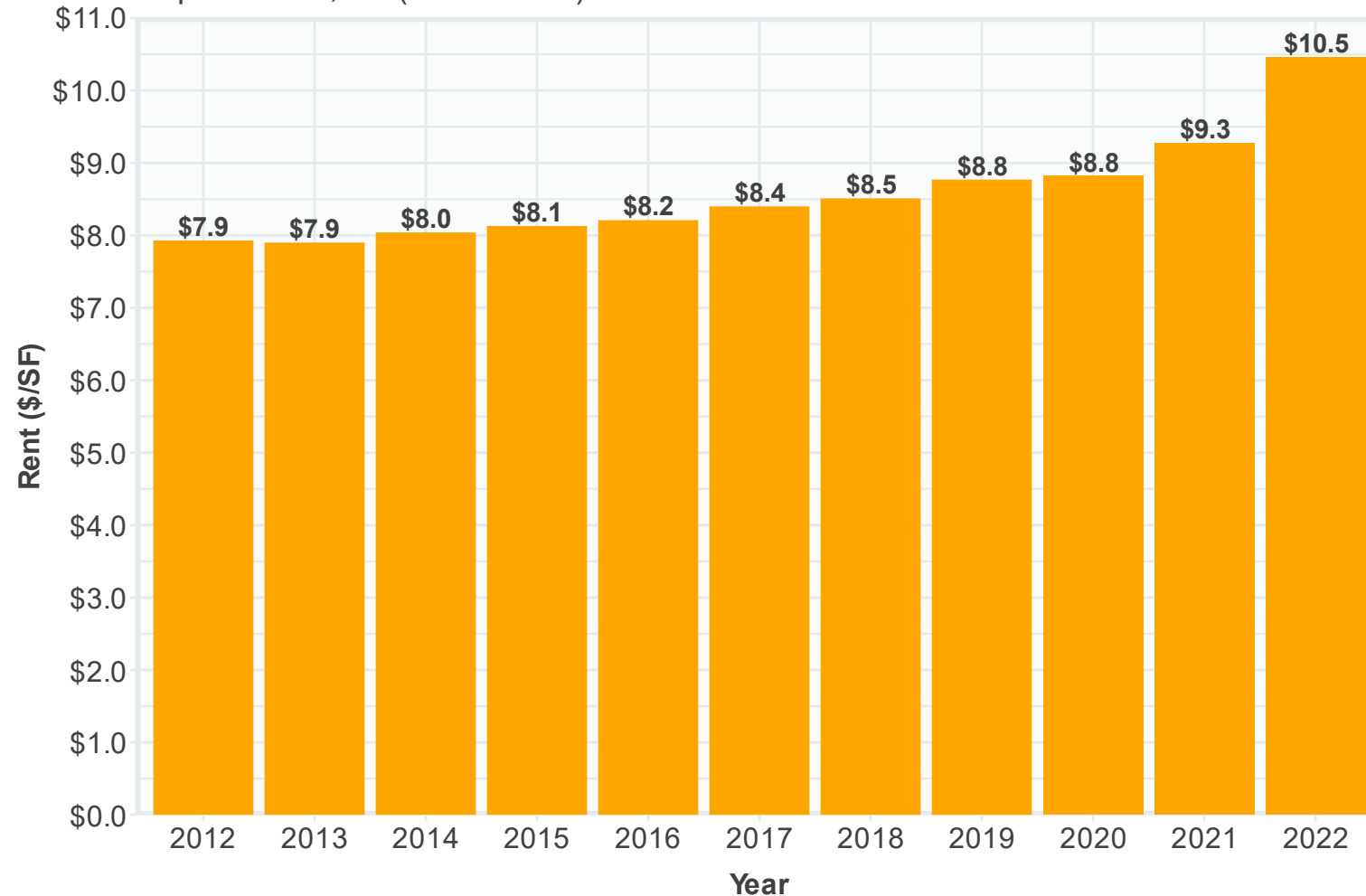


Warehouse/Distribution Market Trends-Asking Rents

- **Rental prices trending upward**
 - Pent-up demand across multiple sectors
 - Rising rents could lead conventional users (supply chain operations) to continue to seek spaces outside the county
 - And in the long-term, could lead unconventional users (office/retail tenants) to seek industrial spaces outside the county due to price competitiveness

Warehouse/Distribution Inventory Market Trends: Asking Rents Per Square Foot

Airport North, VA (2012-2022)





JLMA Water & Sewer Project Coordination

Loudoun County & Loudoun Water Update
October 31, 2022

JLMA Coordination Letter shared with County staff



PO Box 48527 | 4400 Loudoun County Park | Ashburn, VA 20151
941.291.7000 | Fax: 971.223.2100

June 15, 2022

Mr. Alan Brewer, Director
Department of Building and Development County of Loudoun
1 Harrison Street, SE
Leesburg, VA 20177-7000

Re: Leesburg JLMA and expanded TPA Water and Sewer Service Coordination

Dear Mr. Brewer:

Loudoun Water submits this letter regarding the ongoing coordination required to deliver critical water and sewer infrastructure necessary to serve specific undeveloped areas of the Leesburg Joint Land Management Area (JLMA) and expanded Transition Policy Area (TPA) service area as defined in the 2019 Loudoun County General Plan.

Exhibits A and B depict the planned water and sewer infrastructure (respectively), and general alignments necessary to provide service to undeveloped areas of the Leesburg JLMA and expanded TPA. The specific undeveloped areas are referenced as JLMA East and JLMA West in both exhibits.

Loudoun Water is responsible for planning, designing, and constructing the major infrastructure "backbone"; water/wastewater treatment, storage (including quarry), pump stations and large diameter trunk lines. Property owners or developers are responsible for the cost and construction of connecting their onsite parcel to the backbone infrastructure. The major infrastructure projects in Exhibits A and B are identified in Loudoun Water's Capital Improvement Plan (CIP) and funds are allocated in Loudoun Water's 5-year Plan of Finance.

To expedite the installation of the backbone infrastructure necessary to serve the Leesburg JLMA and expanded TPA, Loudoun Water has been working in close coordination with property owners and as deemed appropriate by Loudoun Water, property owners will be allowed to design and construct some of the major infrastructure. In all cases, Loudoun Water infrastructure construction costs will be fully bonded.

The major infrastructure depicted generally in Exhibits A and B is necessary to allow specific sites to develop. Loudoun Water will not sign off on residential lot subdivisions (excluding parcel division(s)), occupancy permits, or allow meters to be released until all water and sewer infrastructure, both the backbone and onsite, has reached Beneficial Use (the point at which the utilities meet Loudoun Water's minimum standard requirements to be put into service and allows meters to be issued).

Loudoun Water appreciates the partnership with Loudoun County as we bring critical infrastructure to the undeveloped areas of the Leesburg JLMA and the expanded TPA. Loudoun

Water will submit this letter with additional project-specific detail identifying which projects are related to each land development application (Exhibit C).

If you have any questions or concerns, please do not hesitate to contact me at (571) 291-7746 or ahbeatty@loudounwater.org. We would welcome the opportunity to meet with you to discuss any questions you may have on the associated plan submission. Thank you for your time and consideration.

Sincerely,

Andrew Beatty

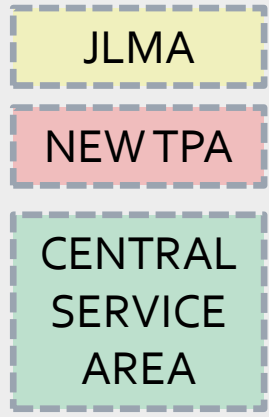
Andrew Beatty,
Project Manager
Loudoun Water

Cc: Scott Berger, Assistant Director, Dept. of Building and Development, Loudoun County
Mark Peterson, Deputy General Manager, Loudoun Water
Robyn Bailey, Business Relations Manager, Loudoun Water
Huy Tran, Manager of Land Development Programs, Loudoun Water
EXHIBIT A - Loudoun Water Phase 1 Water Infrastructure Project Identification
EXHIBIT B - Loudoun Water Phase 1 Sewer Infrastructure Project Identification
EXHIBIT C - Project-Specific Information

Now – Presentation to provide overview of all JLMA projects

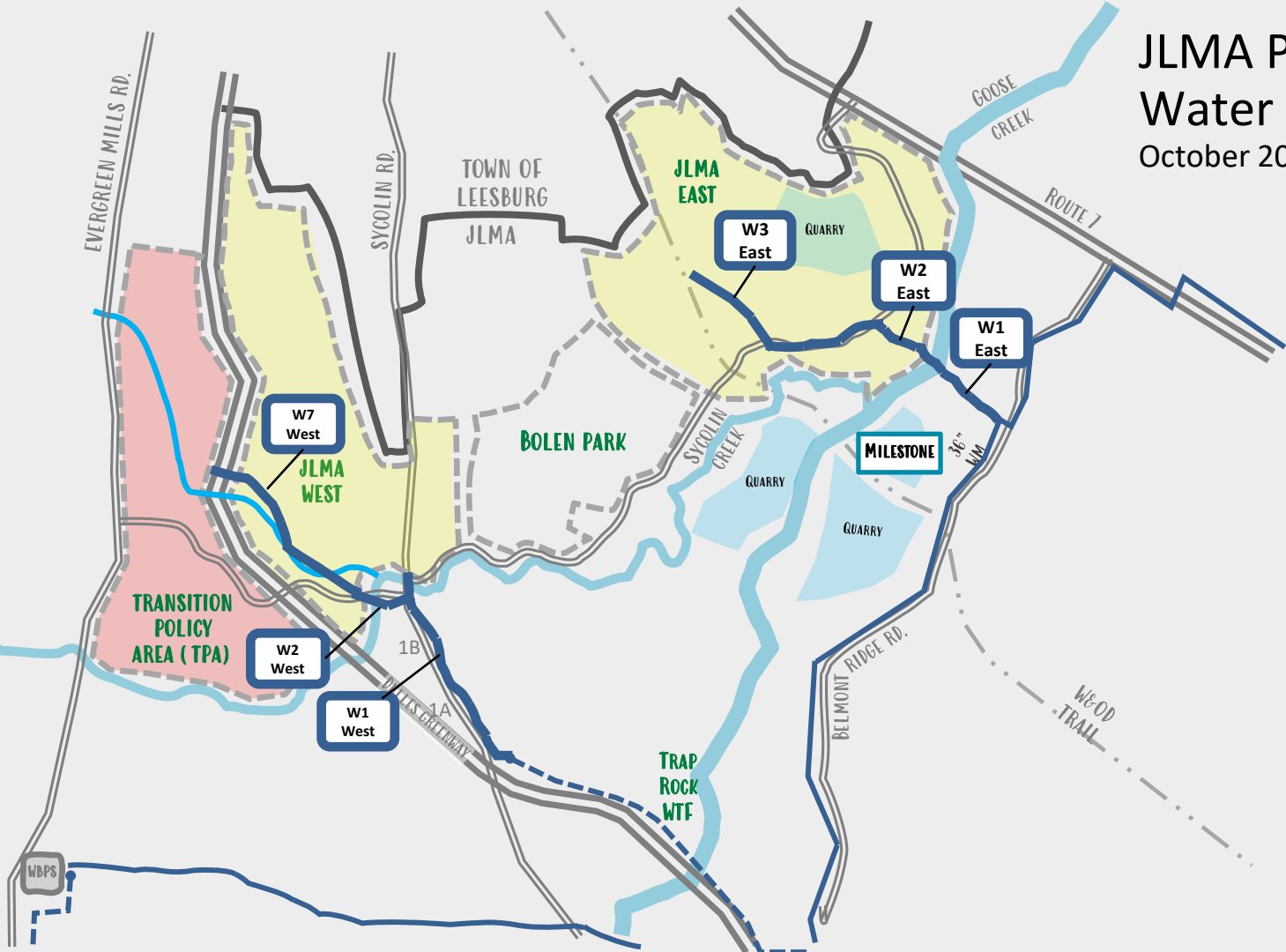
TPA, JLMA, Central Service Area

October 2022



JLMA Projects – Phase 1 Water

October 2022

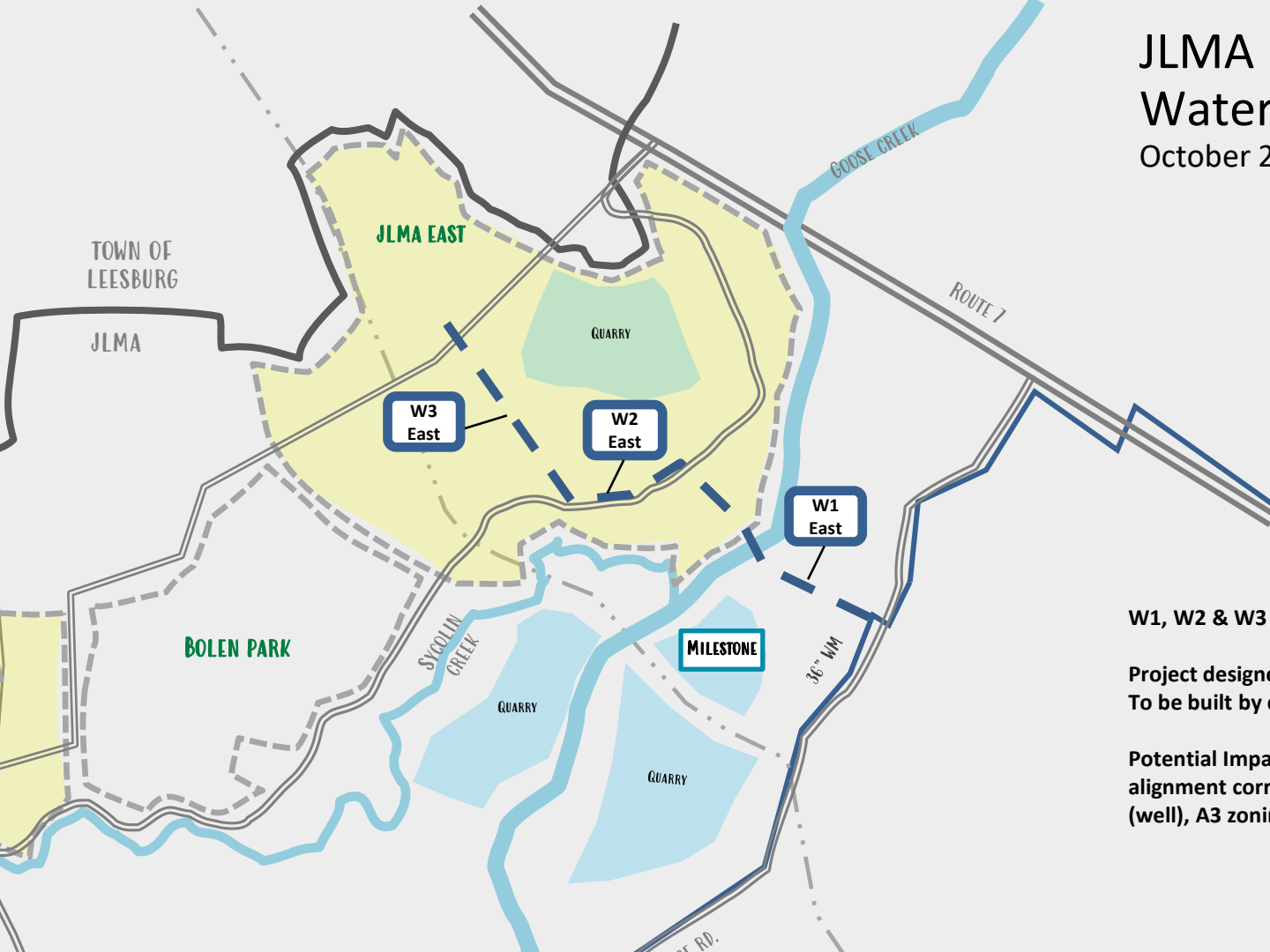


Project Phase

Project # Phase 1 - Water

JLMA East – Phase 1 Water

October 2022



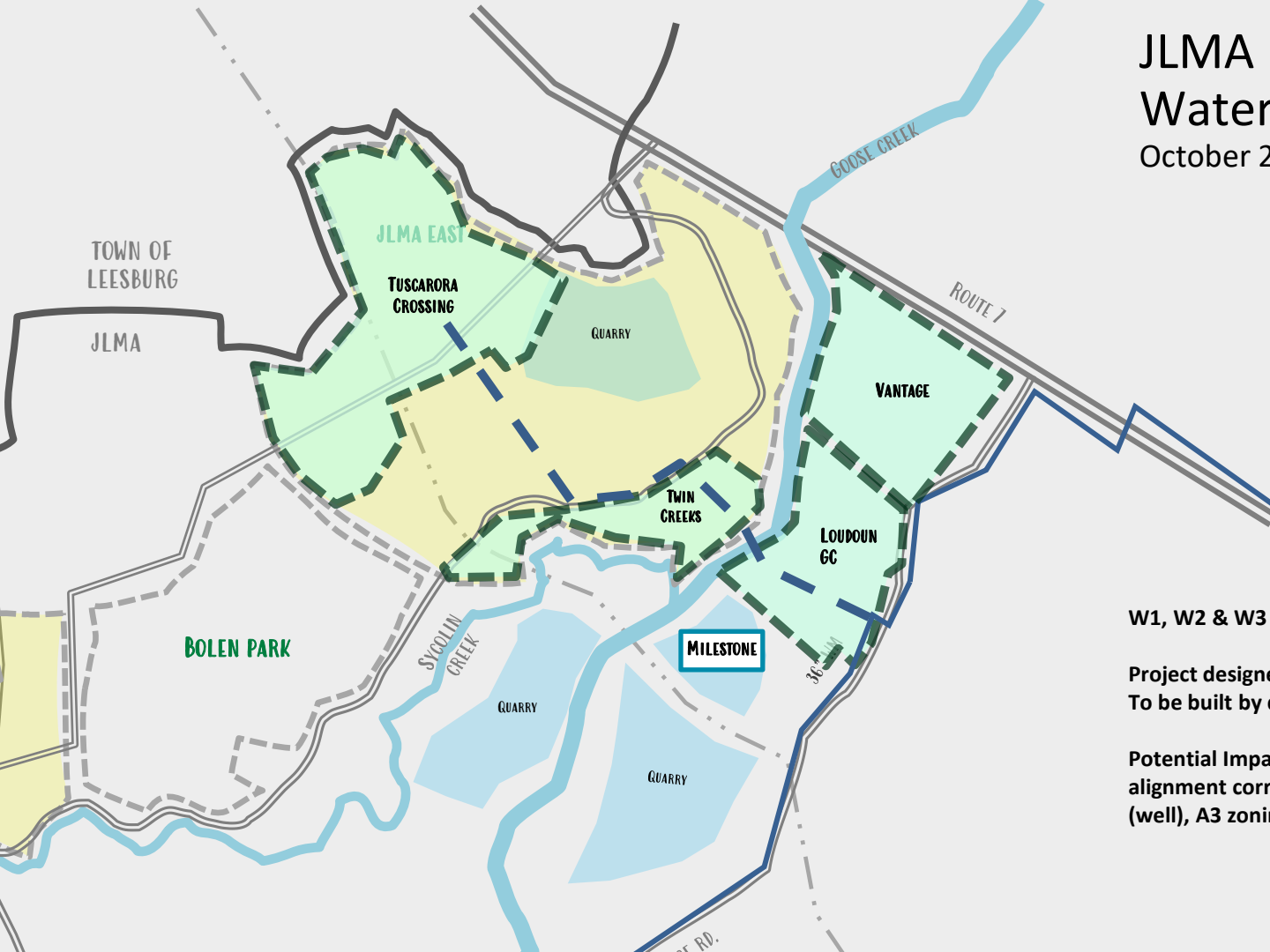
W1, W2 & W3 being completed as one (1) project

Project designed in coordination with developer.
To be built by developer.

Potential Impacts – Goose Creek crossing,
alignment corridor, easements, utility conflicts
(well), A3 zoning, supply chain

JLMA East – Phase 1 Water

October 2022



W1, W2 & W3 being completed as one (1) project

Project designed in coordination with developer.
To be built by developer.

Potential Impacts – Goose Creek crossing,
alignment corridor, easements, utility conflicts
(well), A3 zoning, supply chain

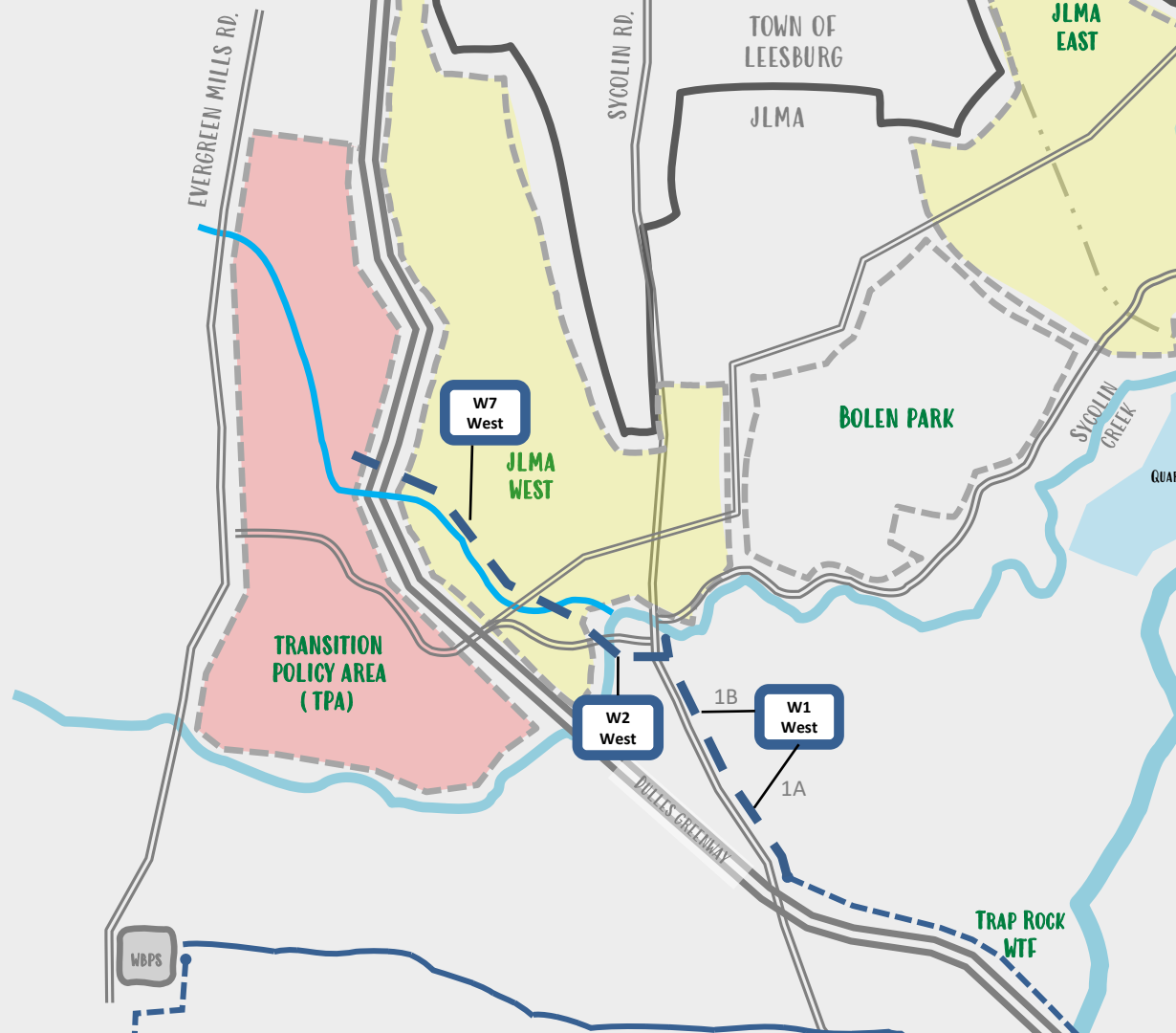
JLMA West – Phase 1 Water

October 2022

W1 being completed as two (2) projects – W1A and W1B. To be built by developer.

W2 and W7 being completed as one (1) Loudoun Water capital project.

Potential Impacts – Dulles Greenway crossing, alignment corridor, easements, supply chain



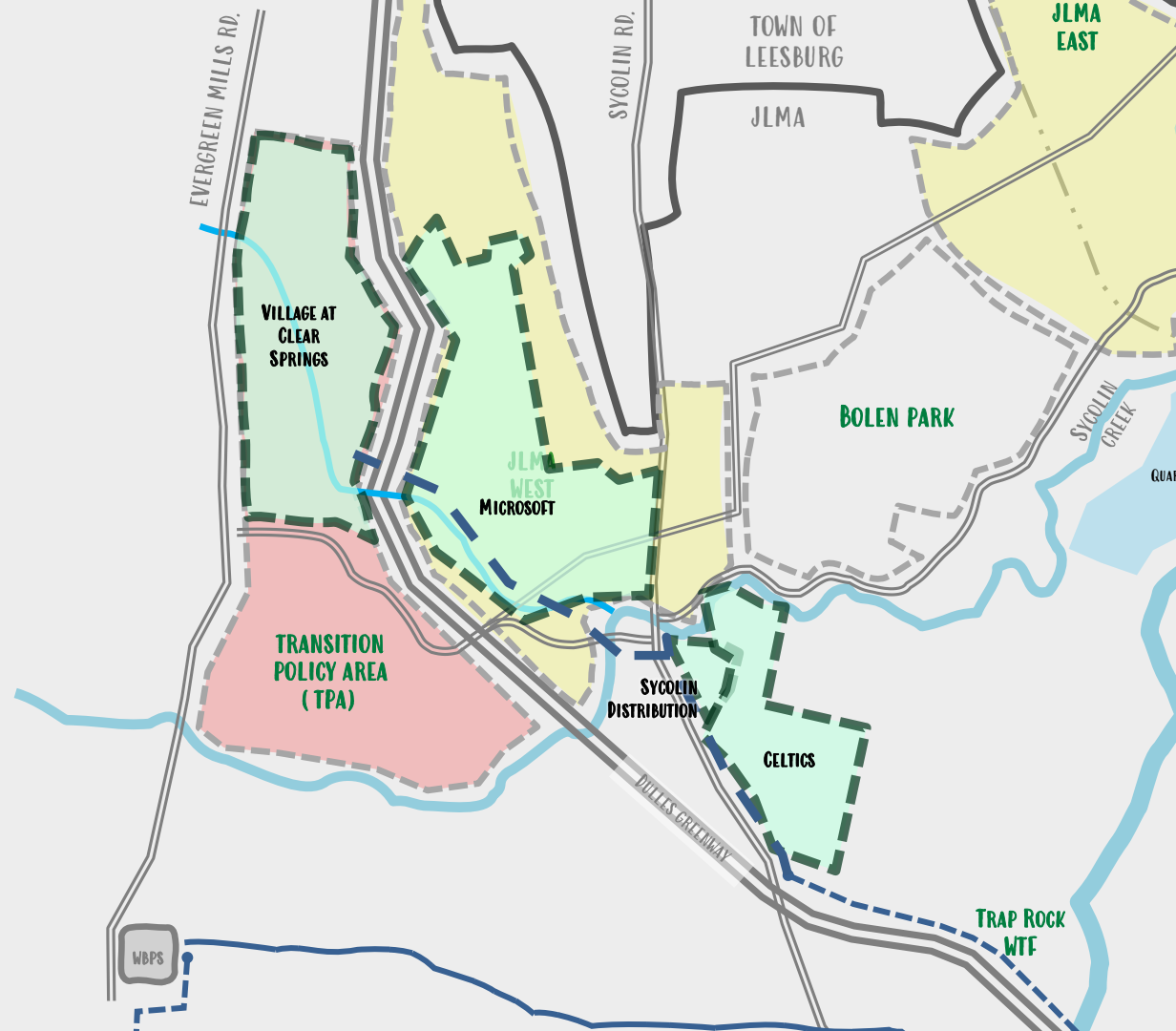
JLMA West – Phase 1 Water

October 2022

W1 being completed as two (2) projects – W1A and W1B. To be built by developer.

W2 and W7 being completed as one (1) Loudoun Water capital project.

Potential Impacts – Dulles Greenway crossing, alignment corridor, easements, supply chain



JLMA Projects – Phase 1 Sewer October 2022



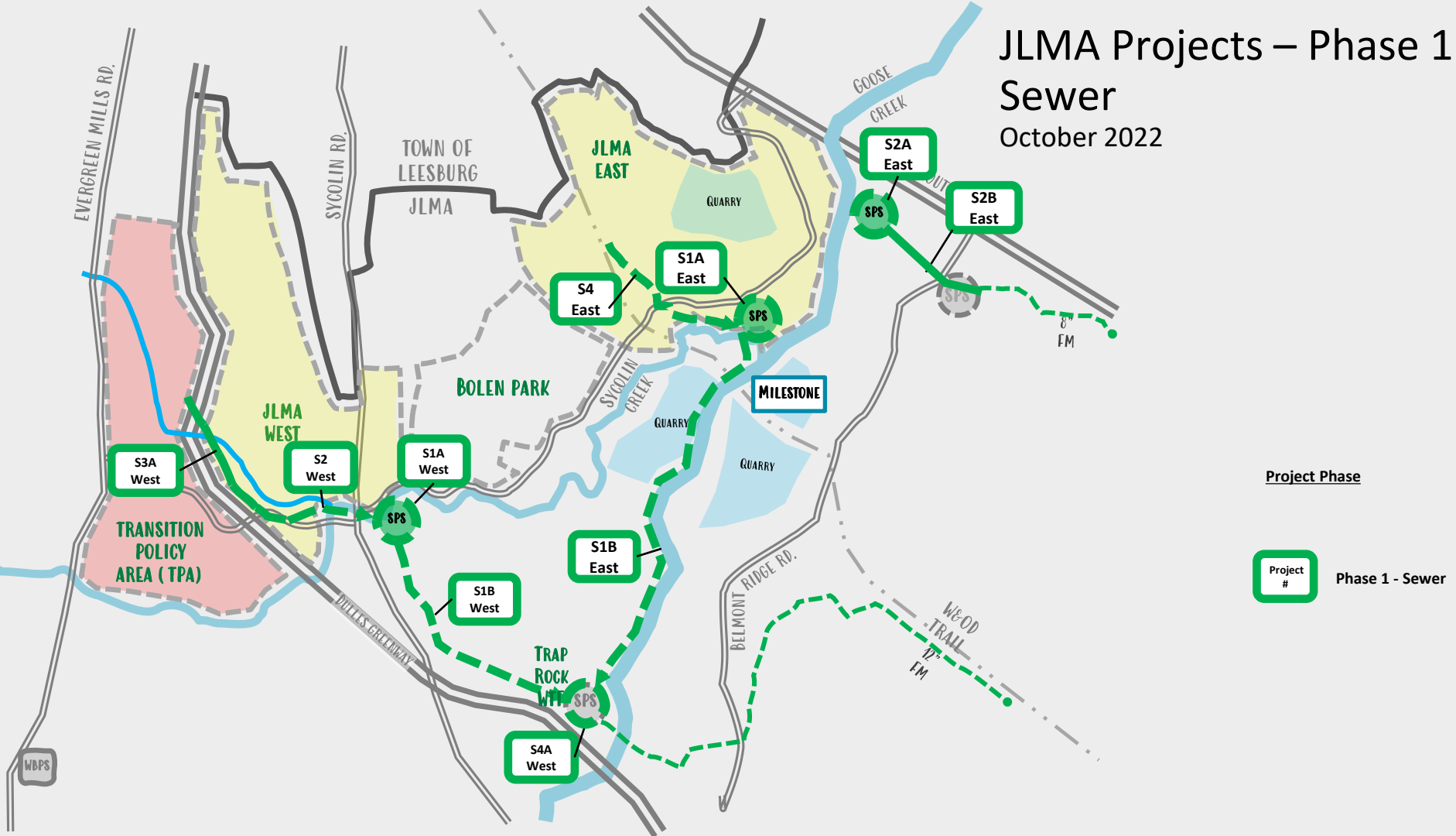
Project Phase



Phase 1 - Sewer

JLMA Projects – Phase 1 Sewer

October 2022



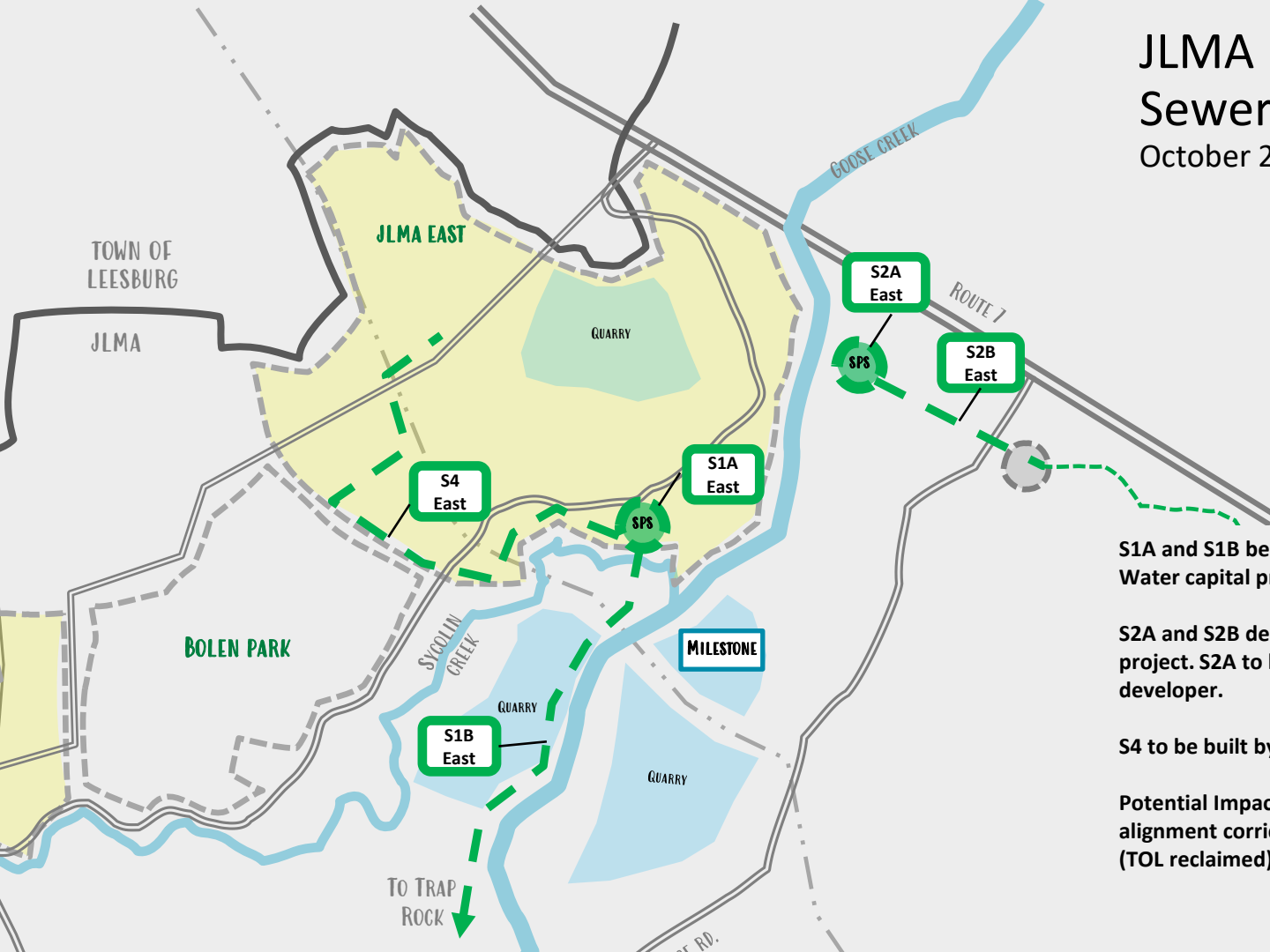
Project Phase



Phase 1 - Sewer

JLMA East – Phase 1 Sewer

October 2022



S1A and S1B being completed as one (1) Loudoun Water capital project.

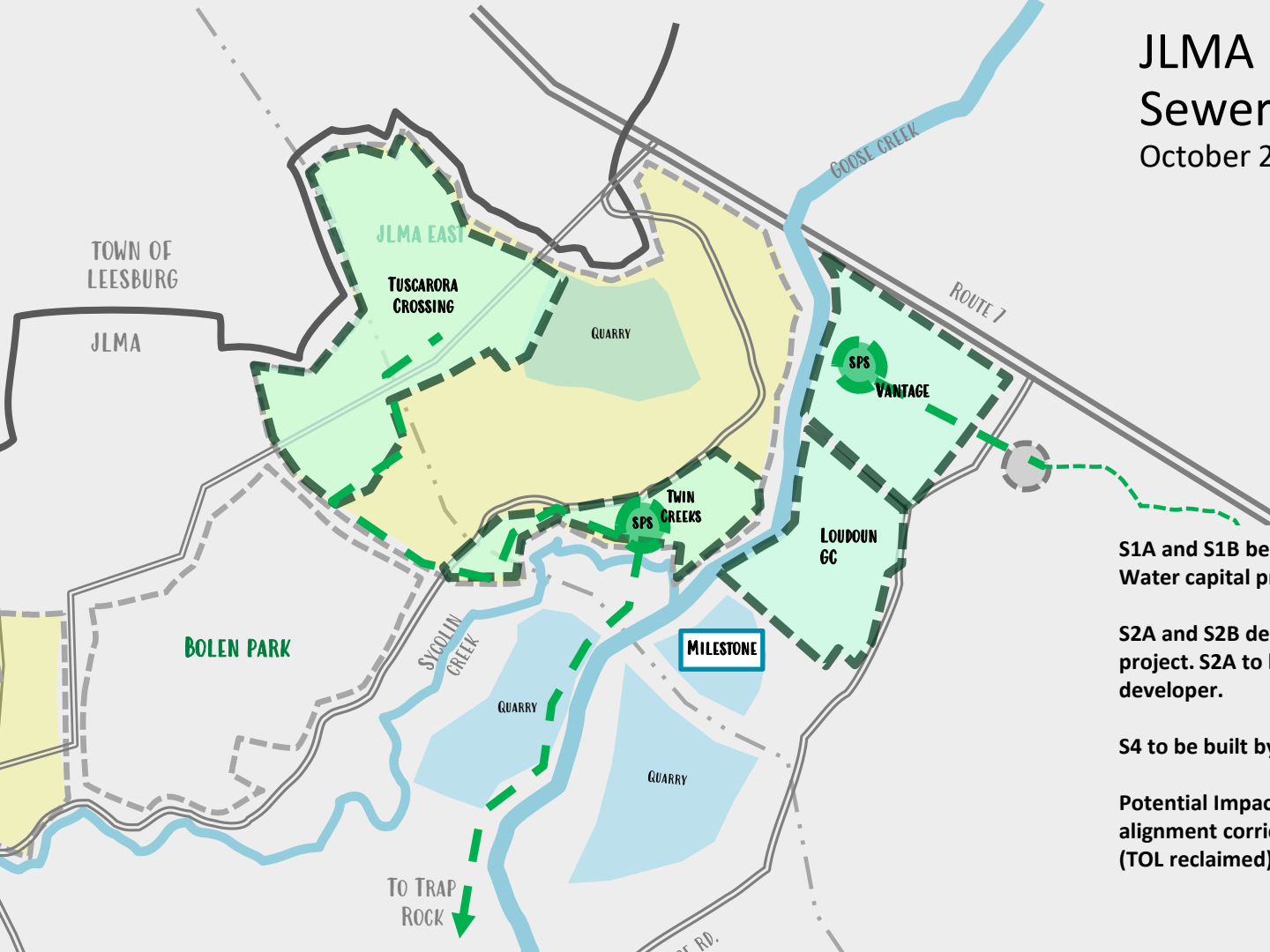
S2A and S2B designed as Loudoun Water capital project. S2A to be built by LW. S2B to be built by developer.

S4 to be built by developer.

Potential Impacts – Goose Creek crossing, alignment corridor, easements, utility conflicts (TOL reclaimed), A3 zoning, supply chain

JLMA East – Phase 1 Sewer

October 2022



S1A and S1B being completed as one (1) Loudoun Water capital project.

S2A and S2B designed as Loudoun Water capital project. S2A to be built by LW. S2B to be built by developer.

S4 to be built by developer.

Potential Impacts – Goose Creek crossing, alignment corridor, easements, utility conflicts (TOL reclaimed), A3 zoning, supply chain

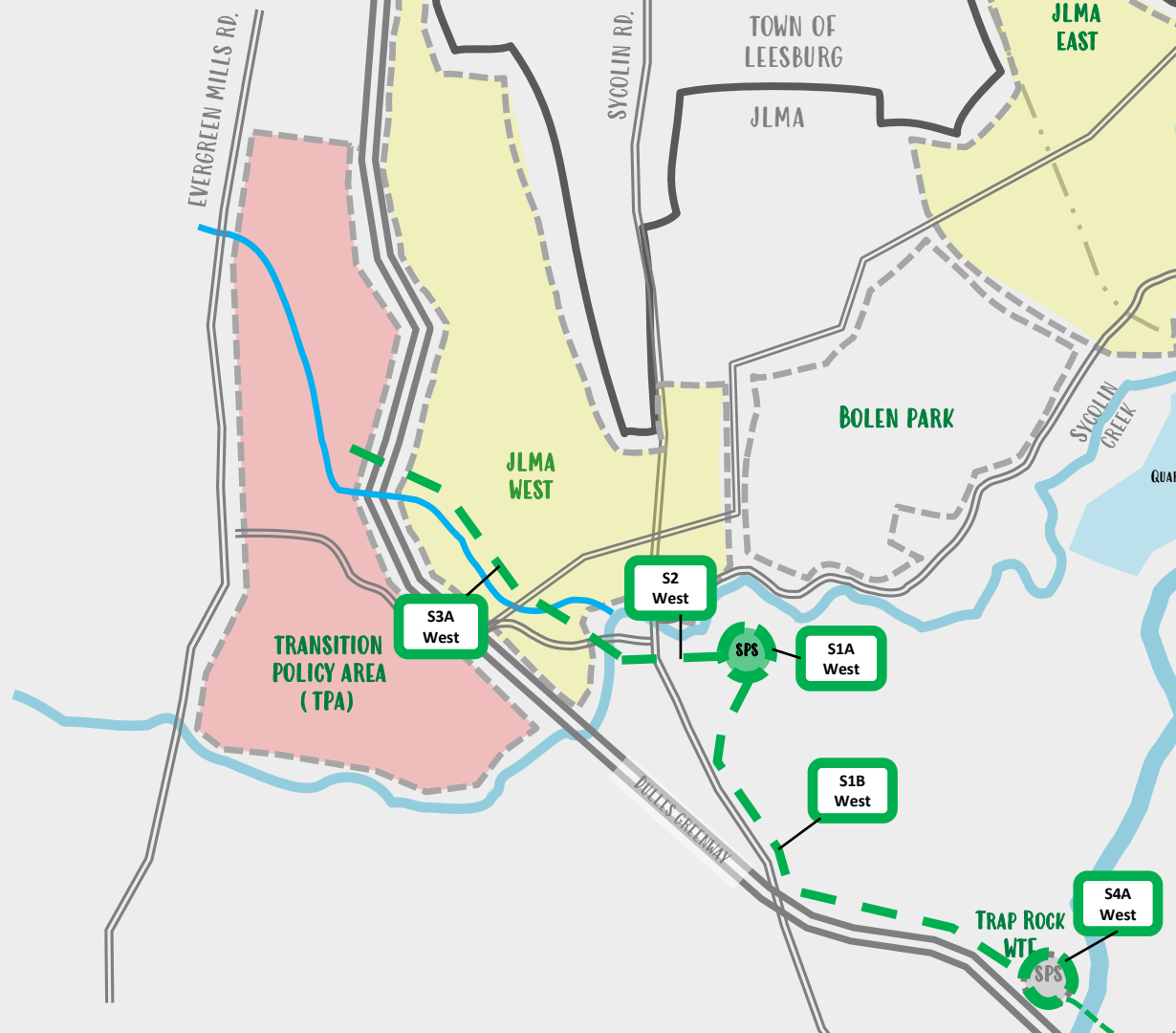
JLMA West – Phase 1 Sewer

October 2022

S1A and S1B being completed as one (1) project.
To be built by developer.

S2 and S3A being completed as one (1) Loudoun
Water capital project.

Potential Impacts – Dulles Greenway crossing,
alignment corridor, easements, supply chain



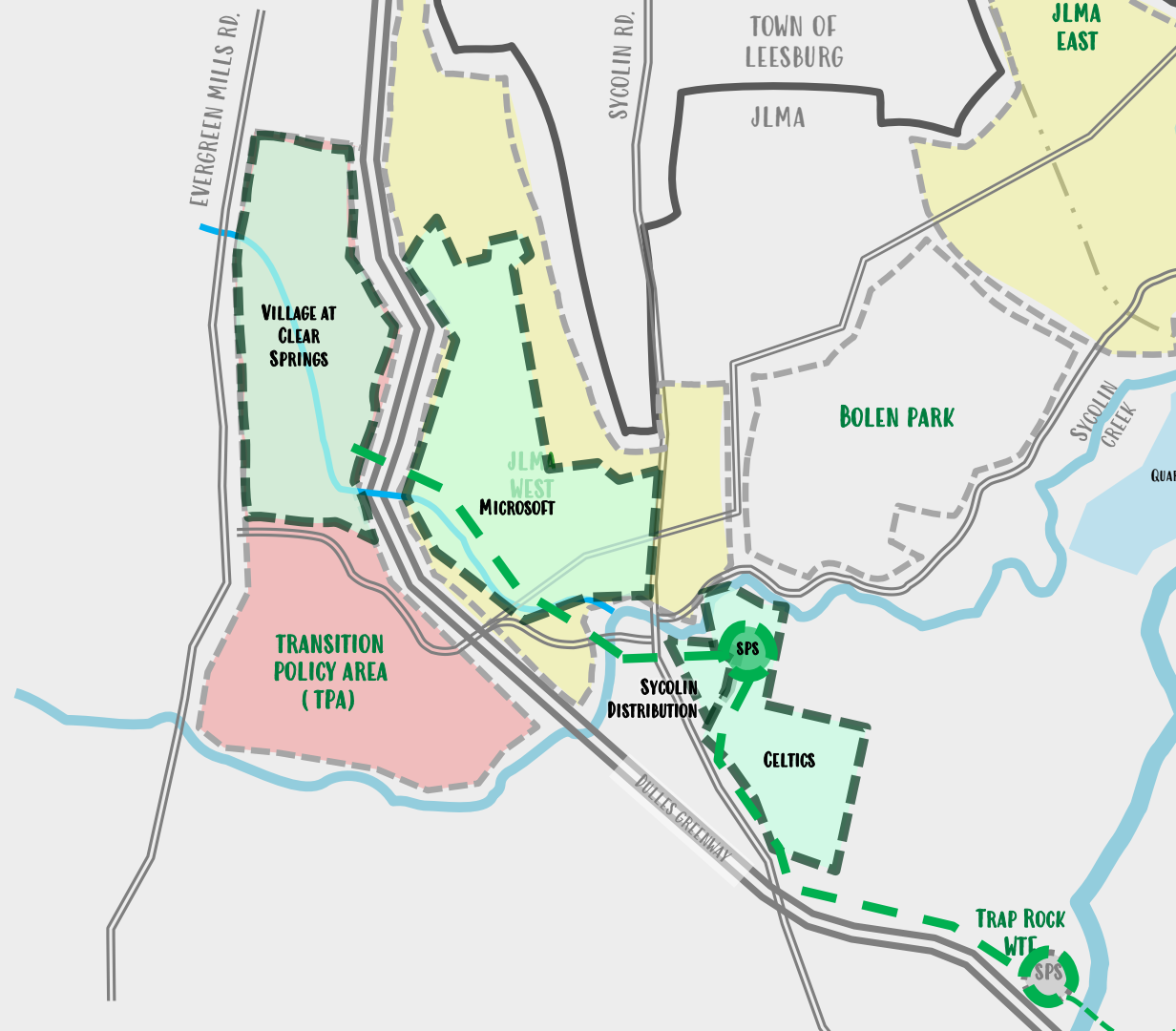
JLMA West – Phase 1 Sewer

October 2022

S1A and S1B being completed as one (1) project.
To be built by developer.

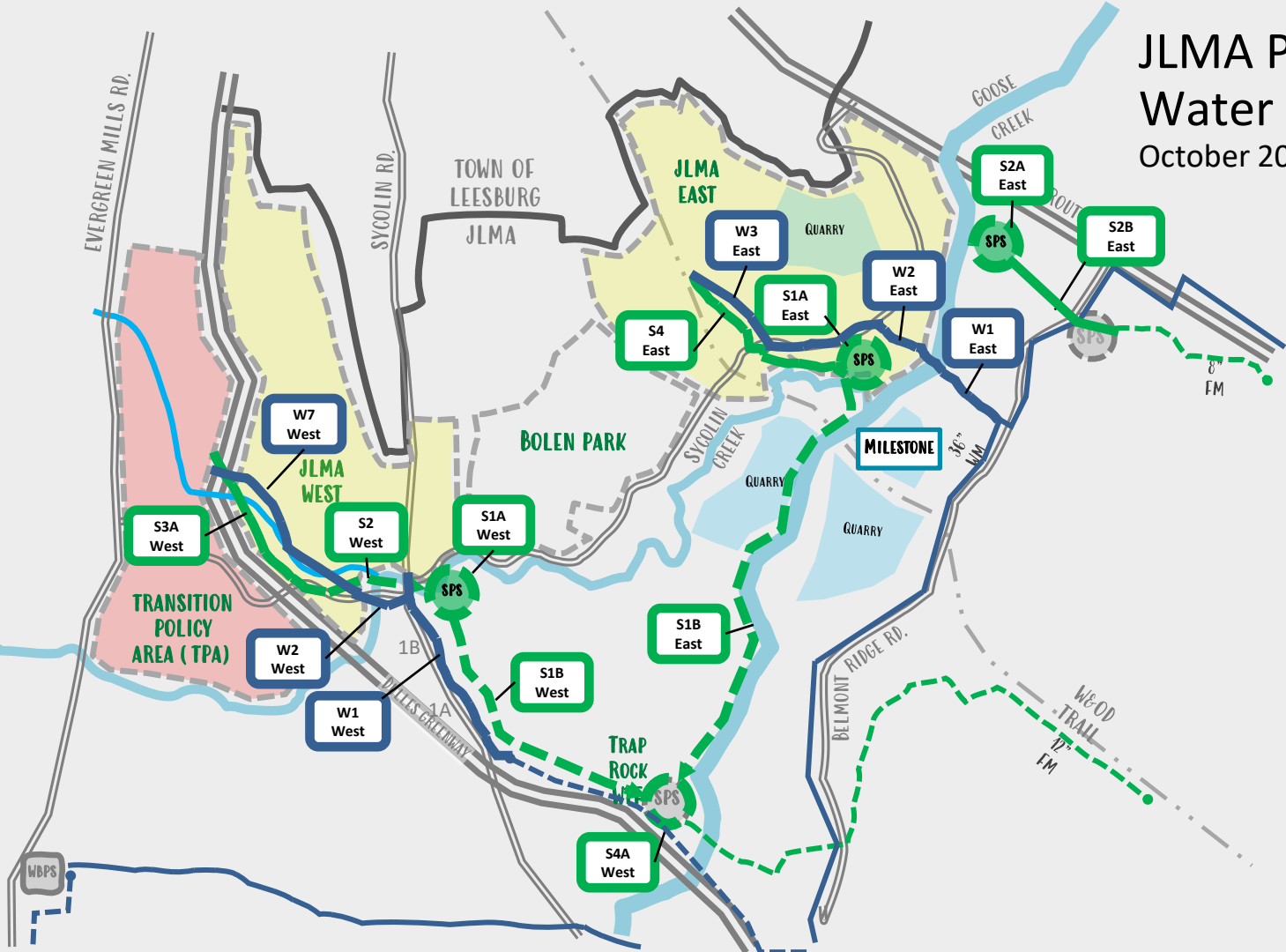
S2 and S3A being completed as one (1) Loudoun
Water capital project.

Potential Impacts – Dulles Greenway crossing,
alignment corridor, easements, supply chain



JLMA Projects – Phase 1 Water & Sewer

October 2022

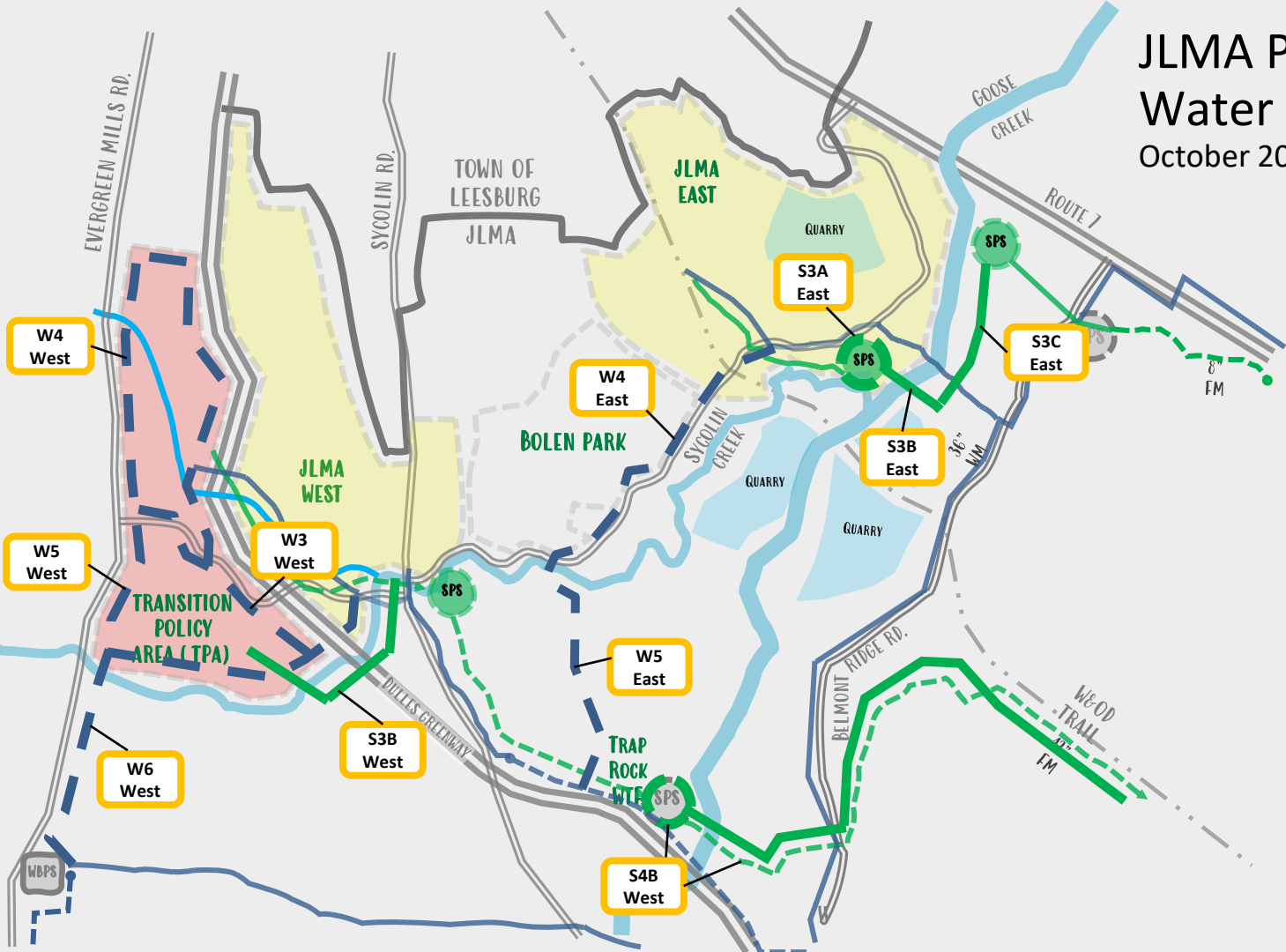


Project Phase

- Project # Phase 1 - Water
- Project # Phase 1 - Sewer
- Project # Phase 2

JLMA Projects – Phase 2 Water & Sewer

October 2022



Project Phase

- Project # Phase 1 - Water
- Project # Phase 1 - Sewer
- Project # Phase 2

JLMA East

Water Projects

W1,W2,W3 East - JLMA East Watermain from Belmont Ridge Rd

Wastewater Projects

S1A,S1B East - Goose Creek Indus Park SPS & FM

S4 East - JLMA East Sewer from Tuscarora Crossing

S2A East - Russell Branch SPS

S2B East - Russell Branch FM

JLMA West

Water Projects

W1A West - Sycolin Rd Watermain (Celtics)

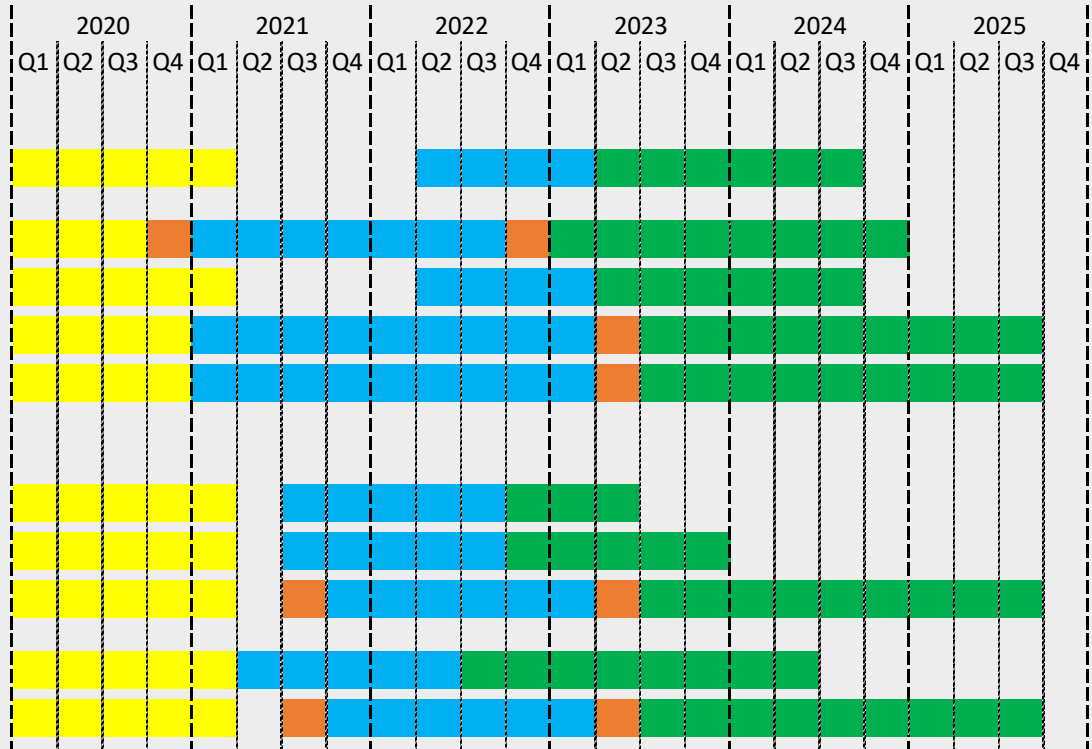
W1B West - Sycolin Rd Watermain (Distribution Center)

W2,W7 West - Sycolin Rd to Greenway Watermain

Wastewater Projects

S1A,S1B West - JLMA West SPS & FM (Celtics)

S2,S3A West - JLMA West Sewer North Fork (Microsoft)



*Project schedules as of 10/31/22 and subject to change



JLMA Coordination Projects – Phase 1

Loudoun Water

JLMA EAST

- Goose Creek IP SPS & FM
- Russell Branch SPS

JLMA WEST

- JLMA West Water & Sewer Main

Developer

JLMA EAST

- JLMA East Water & Sewer Main
- Russell Branch FM

JLMA WEST

- JLMA West SPS & FM
- Sycolin Rd Water Main

Other Loudoun Water Projects

- Milestone Reservoir
 - Under design
- Beaverdam Park
 - Under construction
- Broad Run WRF Expansion
 - Phase 2 under construction
 - Phase 3 planning/design
- Broad Run Farms
 - Awaiting construction
- W&WW Program Projects
 - Various stages
 - Paeonian Springs
 - Waterford
 - Unison
 - St Louis (pending)

Questions/Discussion

Andrew Beatty

abeatty@loudounwater.org

571.291.7746

Website:

<https://www.loudounwater.org/current-projects/leesburg-joint-land-management-area-jlma>

JLMA East

Water Projects

W1,W2,W3 East - JLMA East Watermain from Belmont Ridge Rd

Wastewater Projects

S1A,S1B East - Goose Creek Indus Park SPS & FM

S4 East - JLMA East Sewer from Tuscarora Crossing

S2A East - Russell Branch SPS

S2B East - Russell Branch FM

JLMA West

Water Projects

W1A West - Sycolin Rd Watermain (Celtics)

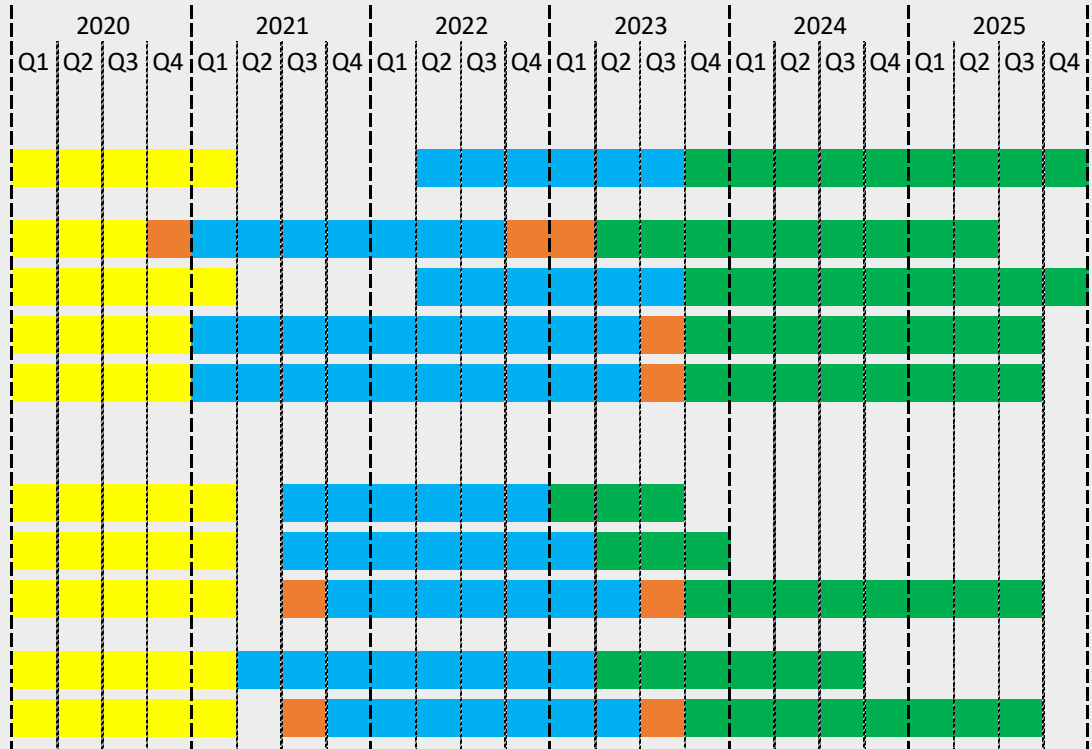
W1B West - Sycolin Rd Watermain (Distribution Center)

W2,W7 West - Sycolin Rd to Greenway Watermain (Microsoft)

Wastewater Projects

S1A,S1B West - JLMA West SPS & FM (Celtics)

S2,S3A West - JLMA West Sewer North Fork (Microsoft)



*Project schedules as of 4/18/23 and subject to change



**BOARD OF SUPERVISORS
BUSINESS MEETING
INFORMATION ITEM**

SUBJECT: Presentation of Loudoun County Police Department Study

ELECTION DISTRICT(S): Countywide

CRITICAL ACTION DATE: At the pleasure of the Board

STAFF CONTACT(S): Charles Yudd, County Administration

PURPOSE: The purpose of this item is to provide the Board of Supervisors (“Board”) with a presentation on the findings of the Loudoun County Police Department Study conducted by the International Association of Chiefs of Police (“IACP”).

BACKGROUND: At its Business Meeting on [July 21, 2020](#), the Board directed staff (6-3: Buffington, Kershner, and Umstattd opposed) to study changing Loudoun County’s form of government, develop a list of governing and law enforcement options for Board consideration, specifically including the establishment of a Loudoun County Police Department in all options, and submit a report to the Board no later than the second Board Business Meeting in April 2021. The subsequent [Form of Government Overview](#) item presented at the April 20, 2021 Business Meeting provided a summary of staff’s research on forms of government available to Loudoun County, the process by which the County could change its form of government, and a preliminary analysis of what organizational and fiscal impacts could occur from such a change.

Pursuant to the July 21, 2020, Board direction, staff sought consultant services to make professional and impartial recommendations associated with the governance and delivery of law enforcement services in the County. The procurement process sought qualified firms to study the possible establishment of a police department. After evaluation of multiple proposals by a Proposal Analysis Group (“PAG”) consisting of the Board Chair, the Sheriff, and the Deputy County Administrator, the International Association of Chiefs of Police was selected unanimously as the vendor best qualified to systematically study and evaluate considerations for the County in potentially reorganizing its public safety services by separating primary law enforcement functions from the sheriff’s office and creating a county police department. IACP began their efforts in April of 2021 to conduct a detailed, impartial analysis of the potential formation of a county police department.

A review team consisting of staff from County Administration, Loudoun County Sheriff’s Office (LCSO), the Department of Finance and Budget, and the County Attorney’s Office reviewed drafts

of the IACP study for accuracy as they were received and compared each draft against contract deliverables to ensure completion. County Administration has worked with IACP staff to ensure the delivery of a detailed, impartial analysis and recommendations.

ISSUES: The IACP’s presentation of findings to the Board, based upon their draft report issued March 31, 2022 (Attachment 1), includes key findings and recommendations for effective practices and organizational change for the LCSO. The IACP was contracted to provide a detailed, impartial analysis, the scope of which includes the identification and development of both short-term and long-term factors to be considered in a potential transition in the delivery of police services to include the cost-risk-benefit analysis, policy considerations, and timeline for such a decision.

Next Steps: The preliminary IACP study presented as Attachment 1 may be updated by IACP to respond to questions and requests for clarification received from the Board. Per the contract, IACP is available, if requested, to develop public educational outreach tools to ensure all stakeholders, including the public at large, understands the consequences of moving this item to referendum prior to any possible Board action. Additional follow-up information requested by the Board can be included in IACP’s final report.

Should the Board choose to proceed with the referendum question for formation of a police department, Virginia Code prescribes a process for counties using the traditional form of government to establish a local police department following a petition to the court and voter referendum. § [15.2-1702](#) requires that the establishment of a county police force be approved by the voters and that appropriate authorizing legislation be enacted by the General Assembly. If the Board wished to establish a county police department, the Board would petition the court, by resolution, asking that a referendum be held on the question, “Shall a police force be established in the county and the sheriff’s office be relieved of primary law-enforcement responsibilities?” The court would order the election and the election would be held pursuant to law. If the measure passes, the County would then proceed to establish a police force following the enactment of authorizing legislation by the General Assembly; IACP guidance provided in this study would be used to inform project implementation and budget considerations.

If the above steps were pursued, County staff and IACP would work further on communications efforts to outline the impact of organizational changes to the existing LCSO workforce. Explaining the impact of operational changes in the time period before a potential referendum will be helpful both for the existing workforce and for the community to develop a factual basis for voter choice.

FISCAL IMPACT: Any allocation of funds will require future Board approval.

ATTACHMENT:

1. Analysis of Potential Conversion from Sheriff’s Office to County Police Department

Analysis of Potential Conversion from Sheriff's Office to County Police Department

March 2022

This page left blank intentionally.

Acknowledgments

For providing overall support and making resources available to the study team, the IACP wishes to thank the Loudoun County government and the Loudoun County Sheriff's Office.

Last but certainly not least, our thanks to the numerous individuals and organizations who participated in interviews and/or took the time to provide information, ideas, and suggestions to us.

Contents

| | |
|--|-----------|
| Acronyms | i |
| Executive Summary | ii |
| The Structure of this Report | iii |
| Key Observations | iv |
| Key Findings | v |
| Introduction | 1 |
| History of the Loudoun County Sheriff’s Office | 1 |
| Demographics | 2 |
| Location | 4 |
| Methodology | 4 |
| The Question of Conversion | 6 |
| 01 Constitutional and Statutory Mandates, Referendum, and Legislative Approval | 9 |
| 1.1 The Office of the Sheriff is Constitutionally Mandated | 9 |
| 1.2 Creating a County Police Department Requires a Referendum to Relieve the Sheriff of Mandates 10 | |
| 1.3 The Costs and Other Impacts of Conversion | 11 |
| 02 Loudoun County, Virginia | 13 |
| 2.1 County Government | 13 |
| 2.2 Loudoun County’s “Traditional Form” of County Government | 14 |
| 2.3 The Metropolitan Washington Council of Governments | 16 |
| 2.4 Loudoun’s Incorporated Towns, Airport, and Transit | 17 |
| 2.5 Town Governance | 20 |
| 2.6 Loudoun County’s Villages and Homeowners’ Associations | 20 |
| 03 Current Loudoun County Sheriff’s Office Operations and Governance | 22 |
| 3.1 LCSO Agency Mission | 22 |
| 3.2 Delivery of County-Wide Policing Services and Resources | 22 |
| 3.3 Community Policing and Partnerships | 23 |
| 3.4 “2022” Current Agency Functions | 35 |
| 04 Comparable Jurisdictions | 48 |
| 4.1 Crime Data | 49 |
| 4.2 Comparing LCSO to its Virginia Neighbors | 51 |
| 4.4 Comparing LCSO and COG Agencies | 53 |
| 4.5 County-Sheriff Governance | 56 |

| | |
|--|------------|
| 4.6 Staffing | 63 |
| 05 Model for Two Separate Agencies: “2022 Converted” | 64 |
| 5.1 Converting the Agencies | 66 |
| 5.2 Impact on State Funding and Services | 75 |
| 5.3 Impact on Facilities | 78 |
| 5.4 Impact on Training Mandates | 80 |
| 5.5 The Transition Budget | 83 |
| 06 Short- and Long-Term Costs of Conversion | 85 |
| 07 Policy Considerations | 89 |
| 7.1 Who Will Make Policing Decisions? | 89 |
| 7.2 Potential Benefits of Conversion | 91 |
| 7.3 Conversion Does Not Equate to “Reform” | 92 |
| 7.4 Opportunity Costs | 94 |
| 08 Effective Practice Recommendations | 96 |
| 8.1 Overall Department – Realignment and Planning | 96 |
| 8.2 Intelligence-Led Policing | 101 |
| 8.3 Patrol Operations | 104 |
| 8.4 Patrol WORKLOAD Staffing Needs | 115 |
| 8.5 Other Factors/ Obligated Time Reduction Strategies | 123 |
| 8.6 New Positions Summary | 127 |
| 8.7 Community Engagement in Loudoun County: Internal and External Communication and Input 128 | |
| 8.8 School Resource Officers | 134 |
| 09 The Conversion Process | 138 |
| 9.1 Initial Objectives for the Board of Supervisors | 138 |
| 9.2 Conversion Process and Strategic Milestones | 139 |
| 9.3 Gap Analysis for Transition | 144 |
| 9.4 Loudoun County Government Public Safety Portfolio Organizational Realignment | 145 |
| 10 Effective Practice Recommendations for Loudoun County | 147 |
| Appendix A: Loudoun County Police Department Organization Charts | 150 |
| Proposed Loudoun County Police Department | 150 |
| Internal Affairs Bureau | 151 |
| Media Relations Bureau | 152 |
| Patrol Bureau | 153 |

| | |
|--|------------|
| Administrative Bureau..... | 154 |
| Operations and Investigations Bureau..... | 159 |
| Planning and Research Bureau..... | 164 |
| Incident Support Services..... | 165 |
| Appendix B: Summary Results LCSO Workforce Survey | 166 |
| Appendix C: Supplemental Information | 179 |
| Appendix D: Maps and Calls for Services..... | 193 |
| Appendix E: Comparison Org Charts..... | 206 |
| Arlington County Sheriff’s Office..... | 206 |
| Fairfax County Sheriff’s Office | 207 |
| Virginia Beach Sheriff’s Office | 208 |
| Prince William County Sheriff’s Office | 209 |

Table of Tables

| | |
|---|-----|
| Table 1. Virginia Counties: Different Forms of Government with Police Departments | 14 |
| Table 2. Group A Incidents | 28 |
| Table 3. Specific Crime Data 2015-2020 | 29 |
| Table 4. LCSO Calls for Service | 31 |
| Table 5. LCSO Attrition Rate 2016-2020 | 32 |
| Table 6. LCSO Workforce Survey: Agency Mission, Goals, and Objectives N=237 | 34 |
| Table 7. Group A Incidents | 50 |
| Table 8. Comparison of Northern Virginia Jurisdictions as Reported to the VA State Police | 51 |
| Table 9. Northern Virginia Comparable Agencies | 52 |
| Table 10. Part I/Part A Offenses by COG Member Jurisdiction, 2019 | 53 |
| Table 11. COG Members 2019 CFS | 55 |
| Table 12. County-Sheriff Governance Comparable Agencies. | 60 |
| Table 13. County and Sheriff Diversity Rates Comparison | 63 |
| Table 14. 2022 Allocation of Funds: LCPD and LCSO Lines of Business | 66 |
| Table 15. Conversion Position Count | 67 |
| Table 16. Cost Impact 1-84 Positions | 71 |
| Table 17. Lines of Business Review: Issues and Considerations | 99 |
| Table 18. LCSO Stations and Beats | 105 |
| Table 19. Squad Assignments | 105 |
| Table 20. Comparison of District Stations | 109 |
| Table 21. Staff Assigned at Stations | 110 |
| Table 22. 2020 Patrol Availability (Hours) | 116 |
| Table 23. LCSO Total Leave Hours | 117 |
| Table 24. Obligated Patrol Workload | 118 |
| Table 25. Obligated Workload Model | 120 |
| Table 26. Online Reports Handled by Executive Detail Deputies | 127 |
| Table 27. Conversion Gap Analysis | 144 |

Table of Figures

| | |
|--|-----|
| Figure 1: Population Growth | 3 |
| Figure 2. Loudoun County Policy Areas | 19 |
| Figure 3. Loudoun County Towns and Communities | 21 |
| Figure 4. Loudoun County Sheriff's Office's Mission | 22 |
| Figure 5. LCSO Stakeholders | 26 |
| Figure 6: Mean Response Times (Minutes) by Year for Community Generated Calls for Services (2017-2020) | 30 |
| Figure 7. 2022 LCSO Positions by Division | 44 |
| Figure 8. Specific Crime Data 2015-2020 | 50 |
| Figure 9. U.S. and Loudoun County Crime Comparison | 56 |
| Figure 10. Brevard County Sheriff's Office Organization Chart | 58 |
| Figure 11. Lake County Sheriff's Office Organizational Chart | 59 |
| Figure 12. LCPD Proposed Senior Leadership Organizational Chart and Positions | 69 |
| Figure 14. LCPD/LCSO Headquarters and Space Planning | 79 |
| Figure 15. Transition Budget | 84 |
| Figure 16. Summary of Costs | 85 |
| Figure 17. Decision-making Authority: Police Department and Sheriff's Office | 90 |
| Figure 18. Cost-Benefit-Risk Summary | 94 |
| Figure 19. Lines of Business Review Cycle | 97 |
| Figure 20. Time Distribution of Calls for Services | 106 |
| Figure 21. Current Patrol Deputy Temporal Deployment Scheme | 107 |
| Figure 22. Calls for Service and Patrol Deputy Deployment | 108 |
| Figure 23. Example of the effect from Shift Hour Changes | 108 |
| Figure 24. 2019-2020 Comparison - Total Mental Health Cases - Time Loss from Patrol | 124 |
| Figure 25. Number of Residential Meetings Attended | 130 |
| Figure 26. Recognized Residential Communities | 131 |
| Figure 27. Circular Non-Directional Communications Flow for School-Law Enforcement MOU136 | |

Acronyms

| | |
|--------|--|
| ADC | Adult Detention Center |
| BOS | Board of Supervisors |
| CFS | Calls for Service |
| CIP | Capital Improvement Plan |
| CIT | Crisis Intervention Team/Training |
| COG | Council of Governments |
| CRP | Civilian Review Panel |
| DCJS | Department of Criminal Justice Services |
| ECC | Emergency Communications Center |
| FOIA | Freedom of Information Act |
| FTE | Full-Time Employee |
| FY | Fiscal Year |
| HOA | Homeowners Association |
| IACP | International Association of Chiefs of Police |
| IBR | Incident-Based Reporting |
| ILP | Intelligence-Led Policing |
| IPA | Independent Police Auditor |
| LCGRC | Loudoun County Government Reform Commission |
| LCPD | Loudoun County Police Department |
| LCSO | Loudoun County Sheriff's Office |
| LOB | Lines of Business |
| NIBRS | National Incident-Based Reporting System |
| MCCA | Major City Chiefs' Association |
| MCSA | Major City Sheriffs' Association |
| NVRC | Northern Virginia Regional Commission |
| NVRCJA | North Virginia Regional Criminal Justice Academy |
| PSAP | Public Safety Answering Point |
| PSC | Public Safety Committee |
| SRO | School Resource Officer |
| U.S. | United States |
| UCR | Uniform Crime Reports |
| VSP | Virginia State Police |

Executive Summary

Loudoun County, Virginia, engaged the International Association of Chiefs of Police (IACP) to systematically study and evaluate considerations for the County in potentially reorganizing its public safety services by separating some of the law enforcement functions from the sheriff's office and creating a county police department.

By agreement with the County, IACP's analysis entails three primary focus areas:

Task 1. Organizational Analysis

Evaluate and consider existing and effective practices for the organizational and governance structure between the Board of Supervisors and the Loudoun County Sheriff's Office. Include a comparative analysis of the formation of a county police department to provide primary police services.

Task 2. Cost Analysis

Analyze the fiscal costs and impacts of forming and operating a county police department in addition to the statutorily mandated sheriff's office, including short- and long-term operational costs and facilities needs.

Task 3. Operational Analysis

Develop and present a review of the significant factors to consider in making this potential change and identify potential transition and/or implementation plans, timelines, and challenges.

The enclosed report includes key findings and recommendations for effective practices and organizational change for the Loudoun County Sheriff's Office (as part of the organizational and operational review) but does not include a recommendation in favor or against a change in the delivery of police services to a county police department. Rather, the scope of the study is limited to identifying and developing the factors to be considered in making such a transition – both short-term and long-term. A change of this size and nature will have both positive and negative impacts. Such factors would include implications for relationships with residents and stakeholders, personnel and morale, organizational structure, oversight, accountability, transparency, and financial impacts.

The overarching goal of this report is to provide the stakeholders with an authoritative evaluation and analysis to build the foundation for making the initial determination as to whether a ballot question is in the best interests of Loudoun County. Secondarily this same

evaluation and analysis may provide the groundwork for fully and thoroughly informing the county residents who would ultimately be asked to make this decision.

Loudoun County requested a data-driven analysis to include a deep dive into key performance indicators (crime statistics, emergency response times, workforce data, resident, and workforce surveys) and to provide comparisons with other agencies and counties in the region, state, and elsewhere.

The Structure of this Report

Sections 1-3 describe the current policing environment in Loudoun County and provide an overview of the Loudoun County Sheriff's Office as it is currently organized and operates and the agency's role and relationships throughout the county. These first three sections do not compare the two policing models under consideration.

Section 1: Constitutional and Statutory Mandates, Referendum and Legislative Approval

Section 2: Loudoun County, Virginia

Section 3: Current Loudoun County Sheriff's Office Operations and Governance

Section 4 Comparables develops comparisons between the Loudoun County Sheriff's Office *as it currently functions* and other agencies in the region and other full-service sheriff's offices of similar size and circumstances.

Sections 5-7 lay out the fiscal impacts, obstacles, and challenges for conversion, the cost-risk-benefit analysis, and the policy considerations.

Section 5: Model for Two Separate Agencies: 2022 Converted

Section 6: Short and Long-Term Costs of Conversion

Section 7: Policy Considerations for Conversion

Section 8: Operational Objectives for a County Police Department provides an evaluation of the current delivery of policing services was conducted to identify potential re-alignments, best practices, and operational objectives for a county police department.

Section 9: The Conversion Process provides an overview of the transition process and timeline to be anticipated and the organizational principles for forming the foundation of a new county police department in the event a referendum is passed authorizing this change.

Section 10: Effective Practices Recommendations for Loudoun County and the Sheriff's Office have been developed for the county and agency *as they currently function*, but also will

be applicable in the event the county elects to form a police department in addition to a sheriff's office.

Key Observations

Organizational Study – Key Observations

- The Loudoun County Sheriff's Office provides high quality law enforcement and public safety services in all of its lines of business; the agency has developed a strong community presence and reputation among the county's residents and law enforcement partners in the area. (Sections 2, 3)
- When considering key performance indicators, the Loudoun County Sheriff's Office compares favorably among all of the comparison agencies (in Virginia, across the Metropolitan Washington Council of Governments region, and among other Major County Sheriff's Offices similarly situated). (Sections 2,3,4)
- There is no indication that the Loudoun County Sheriff's Office is in need of significant re-organization, but LCSO would benefit from several "Effective Practice Recommendations." (Section 10).

Comparative and Cost Analysis – Key Observations

- Forming a county-wide police department separate from the sheriff's constitutional mandates is complicated by Loudoun County's current form of government, and the constitutional independence of the Office of the Sheriff. (Sections 1-2)
- The Commonwealth provides significant funding and resources for the operation of the Loudoun County Sheriff's Office, a portion of which will be forfeited if policing services are separated from the sheriff's mandates. (Section 5)
- By converting from one to two independent and fully functioning agencies, Loudoun County will assume significant one-time, short-term, and long-term fiscal impacts, that it would not otherwise incur but for the conversion. (Section 5)
- As an option, continuing with current operations has both a comparative and economic advantage; the option of conversion presents policy advantages, but this option is time and resource intensive, poses the potential of disruption to services, and presents opportunity costs. (Sections 5-7)

Transition and Conversion Study -- Key Observations

- Transition to two independent agencies will provide an opportunity for the Board of Supervisors (Board) to take a more active role in the policy and operations for policing across the county, to include re-alignment, planning, and staffing. (Sections 8-9)

- Assuming that all legal requirements have been satisfied, the process of transition will take 24-36 months for the county police department to become operational, with several milestones to include overlapped services and redundancies to avoid disruption to policing services. Additional time will be required to complete permanent facilities. (Sections 6, 10)
- The LCSO uses many platforms to keep community stakeholders engaged, and throughout the conversion process it will be crucial for the chief of police to embrace these engagements for continuity of communication transparency. Additionally, it is recommended that both the LCSO and the county police department adopt the best practice of using the co-production of policing model. This model creates a formal structure for engaging all stakeholders (i.e., employees, county government, and community advocates) in reviewing policies and procedures and providing constructive recommendations for consideration by the sheriff and chief of police to ensure essential law enforcement services are reflective of the needs of all communities within the county (discussed further in sections 8-10). The county can further leverage the co-production model for the entire of public safety portfolio by considering restructuring of existing formal committees to that of a Public Safety Committee in keeping with recent best practices within the Washington Metropolitan Council of Governments region and several other local governments in the nation. The public safety portfolio should also consider the development other accountability structures for county police department in the creation of both a civilian review panel and police auditor to enhance transparency practices.

Key Findings

The Sheriff's Office Provides Seamless Delivery of County-wide Public Safety Services

In a constitutionally defined role, the Loudoun County sheriff is responsible for providing critical life and death public safety services for the residents, visitors, schools, businesses, and places of worship within the county. The sheriff manages and coordinates the inter-dependent functions of the agency's services and the sheriff's mandates, as well as relationships and collaboration with other agencies, coordinates response teams and mutual aid, and provides the safety net for law enforcement services across the county.

Enormous growth across the county in the future may mean the establishment of additional incorporated towns and the potential for additional police departments (in the remaining four towns currently incorporated or in villages that grow into towns). As new residents and businesses in unincorporated areas seek out existing town services, new and existing local police departments will expand to provide these services.

All five of Loudoun County's constitutional officers, including the sheriff, operate independently from the Board, with a clear separation of powers.

The current county governance structure sets all five of Loudoun County's constitutional officers outside of the direct supervision of the Board and county administrator, as co-equal and independent offices, each with its authority to fulfill mandates, to define their mission, and to engage with the residents of the county who have provided their electoral mandates.

Where, as here, the Office of the Sheriff operates independently, the Board of Supervisors maintains the power of the purse and appropriation. However, once the funds have been designated in an annual budgetary resolution, the sheriff exercises the authority to organize the office, designate and assign personnel, set the mission and goals for the agency and personnel, and implement initiatives and strategies for maintaining public safety in all of the mandated areas of sheriff's authority.

The Virginia Constitution guarantees the independence of the Office of the Sheriff and a clear separation of the sheriff's public safety policy-making authority from the county's Board of Supervisors. Given the constitutional status of the office, and the county's traditional form of government,¹ changing the formation of the sheriff's office to create a county police department would require a referendum.

1. The county receives state funding from "The Compensation Board" for a portion of the services provided by each of these constitutional officers and their respective employees, calculated each year according to formula, which will be discontinued, in part. It may take years for Loudoun County to begin to receive "599" State funding for officers due to qualifying, certifying, and legislative timelines.
2. The sworn employees in the sheriff's office are employed separately within the constitutional office and generally not subject to the employment authorization of the county. The status of sworn deputies will have a significant impact on the question of conversion, as there cannot be a simple transfer; all sworn positions in a new police department will be subject to posting, applications, and background.

¹ In April 2021, the County Board was presented with, and rejected, the option of changing the Loudoun County form of government to one of the forms used in either Fairfax or Prince William County—Such a change also would require a Referendum, with a Petition requirement.

Public Policy Reasons to Form a Loudoun County Police Department

In the context of “criminal justice reform,” there will always be ways to improve. Deciding to form a new county-wide police department is not a “reform,” but rather a public policy decision focusing on the balance of decision-making power between the Board and the Sheriff.

With direct oversight of a police department and hiring authority over a chief of police, the Board could make any or all the following policing decisions:

The Board could develop an open hiring process for the selection of a chief of police and would negotiate an employment contract for that position.

- The Board would likely develop a proposal for a Citizen Review Board, although none is required; its specific powers would be open for discussion and would require majority support to enact.
- A Public Safety Committee might be designated for a regular meeting time to address policing issues, facilitating coordination and data sharing among the County's Public Safety stakeholders.
- The Board could determine what data regarding policing activities would be reported and made public (beyond mandates) and how frequently it is updated.
- The Board could prioritize diversity hiring, succession planning, and invest in additional training and educational opportunities.
- The Board could authorize collective bargaining among sworn officers.

One of the key differences between a sheriff's office and a police agency is the reporting structure.

Sheriff and Undersheriff:

A Virginia sheriff with primary law enforcement authority has the power to make independent decisions regarding policing strategies, crime-fighting initiatives, resident participation, staffing assignments, budget allocations (once the budget is approved by the Board of Supervisors), community messaging, cross-training, prioritized policing responses, detail assignments, service levels, the use of equipment and technology, and mutual aid agreements.

The voters of the county retain the ultimate authority to provide an electoral mandate for a sheriff's initiatives and performance or the ability to terminate their service.

The sheriff is the elected official. The undersheriff is appointed by the sheriff and operates essentially as the police chief for the county, responsible for the day-to-day operations of the agency and following directions from the sheriff. For a candidate to be eligible

in a sheriff election, they need only be a resident of the county; to serve as sheriff, they must be qualified as a sworn peace officer. The sheriff is accountable to the residents through an election held every four years but also is subject to removal procedures in the event of misconduct. While a sheriff must run for election, the office and its operations should always be non-political.

Board of Supervisors and Chief of Police:

In Loudoun County, given its form of government, a police chief would function like a department director, who submits recommendations and proposed budgets, and the Board of Supervisors would have the authority to approve or deny them. The new police chief would not make major decisions or set new policies without the authority and approval of the Board of Supervisors and must accept their directives and policy initiatives.

The qualifications for a chief likely would be set by the Board of Supervisors or a delegated hiring authority. For Loudoun County, qualifications likely require an advanced degree and substantial law enforcement experience at the command level. Loudoun County would create a contract position and negotiate a contract with a duration of 2-6 years and with termination provisions to include instances of misconduct. A chief of police and the operations of a police department should always be non-political.

Separating the Policing Services from the Sheriff's Mandates will Require the Creation of Two Fully Operational, Independent, and Self-Sufficient Agencies.

A referendum ballot must ask the voters this question: *"Shall a police force be established in the county and the sheriff's office be relieved of primary law-enforcement responsibilities?"* See Va. Code § 15.2-1702(B). If the voters reply affirmatively, and Legislative approval has been provided, then the county may establish a police department to provide for the remaining law enforcement function(s), and a police chief may serve as the chief law enforcement officer for the areas of the county that have not established police departments of their own.

The resulting police department and sheriff's office both must be able to operate fully before the Office of the Sheriff discontinues its law enforcement operations. Further, the contemplated conversion is very different from creating an entirely new agency where services and service levels are new to the community and residents. Here, the residents depend upon the seamless delivery of policing services and levels. There is no backup, so the transition planning must include fail-safe, safety-net and/or overlapping services. Ultimately, both temporary and permanent duplication and significant expansion of the number of positions and the annual budget simply is unavoidable.

Comparison to Other Agencies in the State, Region, and Country Demonstrate the Quality and Skilled Delivery of Policing Services Provided by the Sheriff's Office as it is Currently Configured.

When comparing national crime statistics, Northern Virginia law enforcement agencies' crime statistics, and law enforcement agencies across the Washington D.C. Metropolitan Area, the sheriff's office does an excellent job addressing the public safety needs in Loudoun County.

In 86 of Virginia's 95 counties, the sheriff serves as the chief law enforcement officer, providing primary law enforcement services to the entire county. Only nine Virginia counties maintain county police departments; eight of the nine operate within a different form of county governance. The ninth is not comparable in size or circumstances to Loudoun.² Prince George County is the last to have created a county-wide police department in 1995.

This report includes significant findings where reasonable comparisons were identified; however, there was no obvious comparison county/jurisdiction in the Council of Governments Region considering county population, the number of sworn officers, and the county form of government – especially when also factoring in the statistics for violent crime, lines of business and agency accreditations.

The Professionalism and Leadership Achieved and Maintained by the Loudoun County Sheriff's Office is Much Larger than Any One Sheriff or Officeholder.

The day-to-day 24/7-365 operations, policies, and protocols are regimented and entrenched in an agency of this size and difficult to change, even for a sheriff serving in the office for multiple terms. The State mandates regular reporting for the jail, training, use of force incidents, and injuries. All lawsuits and claims are reported and managed by the State.

County budget and fiscal policies ensure that equipment purchases, the number of positions, and the compensation rates are all set by or approved by the Board of Supervisors.³ Beyond

² Virginia Government in Brief (2018-2022) Virginia Assembly, p. 61. Albemarle and Prince William have adopted County Executive Form (where the Executive has increased administrative authority, including the power of appointments to major departments), p. 55. Henrico operates with the County Manager Form. Fairfax operates with the Urban County Executive Form (where no new municipalities may be established). Arlington operates with the County Manager Plan. Chesterfield, Roanoke, and James City Counties all operate by County Charters.

³ Due to the nature and extent of the County's Fiscal and Internal Controls, the Sheriff's Office is completely accountable and transparent for every dollar of taxpayer funding provided by the residents of Loudoun County. The County manages *all* of the Sheriff's sources of funds and revenues. All payments and expenses are paid through the Department of Finance and Budget. The Sheriff's Office budget and finance personnel and Administration coordinate with the Department of Finance and Budget. The County's Department of Finance and Budget to properly account for every transaction, in the smallest of increments, and the preparation of accurate and complete reporting on a regular basis. The County Board approves Job Classes and

that, new strategic initiatives, new personnel, and new equipment require collaboration and approval by the Board of Supervisors. The Loudoun County Sheriff's primary authority rests in the strategic selection and deployment of personnel to cover mandated responsibilities and commitments made to the Board of Supervisors and the residents.

The Loudoun County Sheriff's Office recruits highly educated and experienced law enforcement leaders. The sheriff appoints a sworn deputy as the colonel who serves as undersheriff, and two lieutenant colonels serve as commanders for the two bureaus. Promotional processes are intensive, with candidates submitting to an internal review process and evaluation depending upon the position. Every position has eligibility requirements (experience, training, years of law enforcement, and LCSO agency service).

By LCSO policy, all candidate's employment records, performance evaluations, and Internal Affairs records are reviewed, and candidates are evaluated based upon written and/or oral exams, resumes and/or applications. In certain cases, an assessment center simulated leadership challenge is also done.

Preparing and adopting an annual budget every year has become a process in collaboration, with joint initiatives developed between the Board and the Sheriff's Office. The FY 2022 Budget is a model of collaboration.⁴ For the FY 2022 Budget, the Board and Sheriff agreed to the implementation of body-worn cameras for LCSO (policies and staff regarding storage and FOIA requests, equipment costs, and plans for a roll-out), and agreed to a schedule for adding 45 new deputies for the courthouse expansion in Leesburg.

Fiscal Impacts

- The fiscal impact of conversion will increase county spending by hundreds of millions of dollars over the first 10 years, when including the costs of a new facility.
- The county's annual budget for these services will increase to a minimum of \$133 million (by more than \$24 million and 22% every year⁵) to provide services that currently are being provided by the LCSO for \$109 million.
- As the police department reaches full operational capacity, this budget is likely to increase further to \$134 million (by up to more than \$25.2 million and 32% every year), with the costs of implementing best practices recommendations.

Compensation Rates and adopts annual adjustments to pay and benefits in relation, to include the Sheriff and employees of the Office of the Sheriff.

⁴ This process is not without its tensions and significant give-and-take. This is not unusual among counties with an independent Office of the Sheriff.

⁵ In current dollars

- The county will increase by at least 43 positions to start, and as many as 103 FTE's (if new county FTEs are included).
- There may be lost opportunities if these county funds are committed in this manner:
 - The construction and operation of a Mental Health Assessment and Treatment Facility, to include hiring clinical staff to provide services for residents that currently are unavailable or inaccessible.
 - Funding for the Sheriff's Office 5th Substation and staffing to be added in 2028-9; this is an area of certain growth and future need.
 - Future opportunity to fund potential needs or make future investments.

A period of 24 to 36 months should be expected for planning, hiring, contracting, and methodical implementation to reach full capacity and capability. There are serious potential and unnecessary risks associated with conversion; on the other hand, no risk has been identified for continuing with the current structure and system for the delivery of policing services in the county.

Introduction

During a Loudoun County Board of Supervisors' (Board) business meeting on July 21, 2020, the Board was presented with an item regarding options on forms of county government in Virginia and the potential establishment of a county police department.

In response, the Board directed staff to develop a list of law enforcement options for the Board's consideration with a specific direction to include the establishment of a county police department. Currently, the Loudoun County Sheriff's Office (LCSO) is the primary law enforcement service provider for incorporated and unincorporated areas of Loudoun County that do not have their own police department. Those towns with their own police departments have concurrent jurisdiction with the LCSO.

In April of 2021, Loudoun County engaged the IACP to conduct a detailed, impartial analysis of the potential formation of a county police department. While this study looks at the feasibility of extracting functions and services from the current sheriff's office, it is not the only public safety entity. The IACP reviewed the interagency cooperation between the LCSO, Loudoun County Office of Emergency Management, and Loudoun County Fire and Rescue System and how this would define roles and responsibilities for a county police department. Analysis of the LCSO lines of business (LOB) assessed how these functions are currently handled directly by the LCSO or by a support agency to identify which should be transferred to a county police department, remain with the LCSO, or reside with both agencies. The IACP also considered current partnerships with other law enforcement agencies such as the Leesburg, Middleburg, and Purcellville police departments, the Metropolitan Washington Airports Authority, and the Virginia State Police, among others, and the need for a county police department to continue to work with those agencies for delivery of police services.

History of the Loudoun County Sheriff's Office

Since its formation in 1757⁶ as a county in the Commonwealth of Virginia, Loudoun County has always had a sheriff, and since 1851, the Office of Sheriff has been an elected position.⁷ The

⁶ In 1757, by act of the Virginia House of Burgesses, Fairfax County was divided. The western portion was named Loudoun for John Campbell, the fourth earl of Loudoun, a Scottish nobleman who served as commander-in-chief for all British armed forces in North America and titular governor of Virginia from 1756 to 1759. Leesburg has served continuously as the county seat since 1757. See, *History of Loudoun County* at <http://Loudoun.gov>. See also, *The History of Loudoun County, Virginia*, <http://LoudounHistory.org>.

⁷ At this time, party politics was not involved in local elections. Prominent citizens were the office seekers in the county and did not see any reason to identify themselves with any national party. <https://www.fcva.us/departments/sheriff-s-office/archives/history-of-the-frederick-county-sheriff> .

first courthouse was built in 1758 on Raspberry Plain, a property owned by Aeneas Campbell, who oversaw the construction and became the county's first sheriff.⁸ In the earliest days of local government, the sheriff typically was one of the most esteemed and pre-eminent citizens, entrusted with great authority and the responsibility to keep the peace:

*"Aeneas Campbell was one of the leading spirits in the new county. Not only was he its first sheriff, but he built its first courthouse and was an original trustee of Leesburg when that town was "erected." In those days, the outstanding men in a community were chosen for public office, and the frequency of his name on the records unquestionably confirms his influential prominence."*⁹

The sheriff was an important figure in Revolutionary Virginia, especially in Loudoun County, where turmoil and insurrection broke out in February 1776, in a conflict between "gentlemen and their less wealthy neighbors."¹⁰ On August 12, 1776, Loudoun citizens gathered at the courthouse to hear the sheriff, the keeper of the peace, read "The Declaration of Independence by the Honorable Congress."¹¹ Until 1776, all sheriffs were appointed by the Crown. From 1776 to 1851, Virginia sheriffs were appointed from a list of magistrates. The Virginia Constitution of 1851 introduced the popularly elected Office of the Sheriff.¹² Since that time, Loudoun County has elected a sheriff as its chief law enforcement officer.

Demographics

Loudoun County, with a 2020 population of 423,046, spread across 520 square miles, is one of the fastest-growing counties in the U.S. and one of the wealthiest due largely to the expansion of the data center industry. The average median income for households in the United States is \$62,483, compared to \$142,299 in Loudoun County.¹³ Situated on the outer rim of the Washington, D.C. Metropolitan Area, Loudoun County's population has grown 35.5% from 2010

⁸ *American Studies of the University of Virginia (Tour 3, Section a.) (2006)*

<http://xroads.virginia.edu/~ug99/cook/wpa/tour3.htm> (accessed Oct. 21, 2021) See also, "Raspberry Plain: History" <http://Raspberryplainmanor.com> (accessed Oct. 21, 2021).

⁹ Harrison Williams, "The Project Gutenberg eBook of Legends of Loudoun" November 25, 2011 (<http://Gutenberg.org> at p. 78, accessed Oct. 20, 2021).

¹⁰ Michael A. McDonnell and Woody Holton, "*Patriot v. Patriot: Social Conflict in Virginia and the Origins of the American Revolution*," *Journal of American Studies*, Vol. 34 No. 2, Cambridge University Press (Aug. 2000)

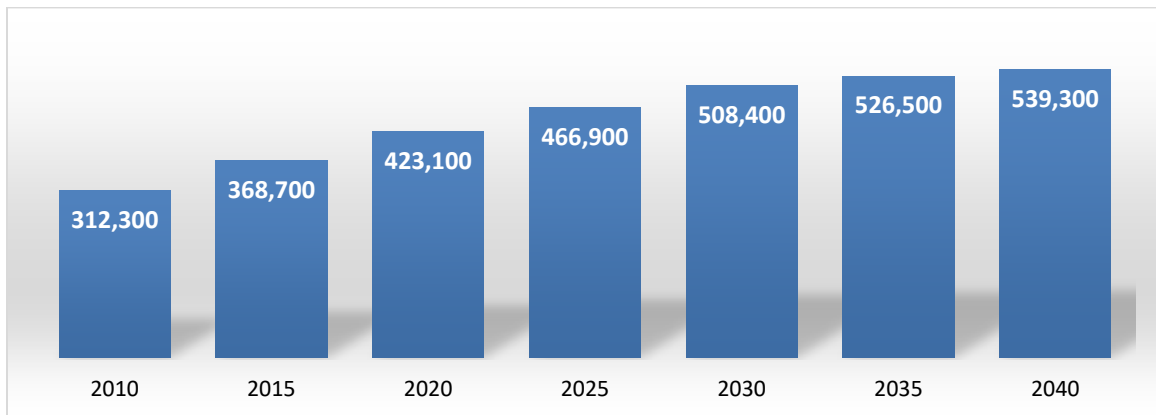
¹¹ *History of Loudoun County* at <http://Loudoun.gov>. See also, *The History of Loudoun County, Virginia*. <http://LoudounHistory.org>.

¹² *History of Sheriffs*, <https://jamescitycountyva.gov/2702/History>

¹³ Staff, "The Richest Counties in the U.S.," *U.S. News & World Report*, December 11, 2020 (usnews.com)(based on census estimates from 2015-2019) Note that of the top 15, 6 were located in Virginia or Maryland).

to 2019.¹⁴ The county's projections indicate additional growth through the next twenty years. Loudoun County's population has continued to increase as a share of the region's total. Loudoun now has 17% of the Northern Virginia Regional Commission (NVRC) population, an increase from 14% as of the 2010 Census.¹⁵

Figure 1: Population Growth



Source: Loudoun County

County residents earn the highest median incomes in the nation, are considered the healthiest residents in the commonwealth¹⁶, and benefit from the lowest crime rate out of the nine northern Virginia jurisdictions in the Washington, D.C. area.

Sixty-seven percent (67%) of residents in Loudoun County responding to the 2020 Census reported their race as "White alone;" roughly twenty percent (20%) reported their race as "Asian alone;" roughly fourteen percent (14%) reported their race as Hispanic or Latino; and roughly eight percent (8%) reported their race as "Black or African American, alone." Roughly four percent (4%) of residents claimed two or more races, and other races were represented with under one percent (1%) (including American Indian and Alaskan Native, and Native Hawaiian and Other Pacific Islander).

¹⁴ Mark Hand, "Nine NoVA Counties, Cities Rank in Top 30 for Population Growth," *Ashburn, VA Patch*, June 10, 2021.

¹⁵ The NVRC region contains Arlington, Fairfax and Prince William counties, the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, and the towns of Dumfries, Herndon, Leesburg, and Vienna. See, "2020 Decennial Census: Population Growth in Loudoun County, Virginia" prepared by the Loudoun County Department of Finance and Budget: August 20, 2021 (accessed at <http://Loudoun.gov>).

¹⁶ County Health Rankings.
<https://www.countyhealthrankings.org/app/virginia/2021/rankings/loudoun/county/outcomes/overall/snapshot>
(Accessed August 20, 2021).

Location

Loudoun County is located just under 60 miles north and west of Washington, D.C., well outside the Capital Beltway, with no major interstate highway. The county borders the more urban and developed areas of Fairfax County and Prince William County and the more rural areas of the Shenandoah Valley (Fauquier and Clark Counties on its south and west, and Jefferson County, West Virginia on the north). The Potomac River geographically separates Loudoun County from the rural areas of Frederick County, Maryland, and the large and suburban Montgomery County, Maryland.¹⁷

Here are Northern Virginia's Rurality Levels, based on the percentage of the population living in areas designated "rural" by the census:

- Spotsylvania County: 32.2 percent rural
- Stafford County 19.8 percent rural
- Loudoun County: 12.6 percent rural
- Prince William County: 4.2 percent rural
- Fairfax County: 1.4 percent rural
- City of Fredericksburg: 1.2 percent rural

Arlington County, along with the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park, have no rural areas.

Source: Greg Hambrick, "Urban vs. Rural: Counties Ranked in Northern Virginia." Patch.com updated Dec. 8, 2016 (accessed October 21, 2021)

Loudoun is still quite rural compared to its Northern Virginia neighbors, with 12.6% of its area still considered rural as of 2016.¹⁸

Loudoun County is unique in Virginia and unique to the United States, but these demographics and an understanding of the region were important for developing comparables and context.

Methodology

The following quantitative and qualitative analysis elements were useful in developing the organizational review and evaluation and providing the foundation for best practices recommendations. These same data sets, interviews, surveys, and comparisons further informed the conversion study.

Quantitative Analysis

This report has been informed by careful consideration and quantitative analysis of data made available through requests from the following sources:

- Loudoun County reported crime rates
- Loudoun County quality of life resident surveys
- Loudoun County Sheriff's Office calls for service (CFS) and response times

¹⁷ Stephen Hudson, "How do we define our region? Here are some ways to look at it." October 14, 2020, *Greater Greater Washington*, ggwash.org (accessed October 21, 2021).

¹⁸ Ibid

- Workforce study
- Cost analysis
- Complaints, internal affairs, and use of force statistics

Qualitative Analysis

The qualitative analysis included a comprehensive set of interviews with stakeholders from the sheriff's office, county administration and departments, community groups, local law enforcement partners and agencies, and the Virginia State Police, as well as additional sources including:

- Organization and lines of business review
- LCSO policies and procedures review
- Facilities and community site visits
- Focus groups
- Workforce surveys
- Effective practices and standards research
- Comparisons with other counties in the commonwealth and region, as well as counties similarly situated elsewhere in the U.S.

Interviews with the Loudoun County Board of Supervisors were helpful in understanding the current relationship by and among the Board and the LCSO, as well as the expectations, aspirations, and concerns relating to a potential conversion. Interviews with the Sheriff and the command staff assisted in developing a working knowledge of the agency's operations, lines of business, level of services, and organizational structure. County administration, finance and budget, and the county attorney provided insight into the current governance structure, lines of decision-making and policy-making authority, and the operational and fiscal aspects and challenges of pursuing a potential conversion. Interviews with community and organizational leaders provided insight into the LCSO from the users/consumers of its services.

Loudoun County's key demographics and trends have been reviewed and considered in the development of this analysis: population and rates of population growth, age, ethnicity, and socio-economic factors such as median income and poverty rates.

Performance indicators and statistics from other agencies in the Northern Virginia and Maryland regions and the Metropolitan Washington Council of Governments (COG) were reviewed and compared. As one of Loudoun County's adjacent neighbors, the Prince William County Transition Plan was reviewed, as was the Fairfax County county police model. This report includes significant findings where reasonable comparisons were identified; however,

there was no obvious comparison county/jurisdiction in the COG region considering county population, the number of sworn officers, and the county form of government – especially when also factoring in the median income and statistics for violent crime, lines of business, and agency accreditations. As it is currently functioning, Loudoun County is unique among the COG jurisdictions.

Counties within the COG were also reviewed and compared for their policing governance structures and expanded our research to include other large or major county sheriffs' offices similarly situated from across the U.S. Two of these comparison counties (Brevard County, Florida, and Lake County, Illinois) are slightly larger than Loudoun in terms of population, but all operate with similar county-sheriff governance structures, and all three of the sheriff's offices operate as primary law enforcement agencies within their counties, with an elected sheriff serving as the chief law enforcement officer.

The Question of Conversion

Since 1983, counties across the commonwealth have been empowered, through legislation, to consider the question of “converting” their county sheriff's office, and Loudoun County has been considering this question for more than a decade.

2012 Loudoun County Government Reform Commission (LCGRC) Report

The relevant questions have not changed since the 2012 Loudoun County Government Reform Commission (LCGRC) was appointed by the Board and reported back on November 1, 2012:

1. Would the citizens benefit from a police department in addition to a sheriff's office?
2. Would a sheriff's office and a police department deliver better service at a better price?
3. If so, how would it work?
4. What are the advantages/disadvantages?¹⁹

The LCGRC recommended against making a change. In 2019, just after the November election, the At-Large Chair of the Board again raised the question.

2020 LCSO Report

In response to the renewed discussion, the LCSO published its “*Sheriff's Office vs. Police Department: A Study by the Loudoun County Sheriff's Office*” in July 2020 (the “2020 LCSO

¹⁹ Loudoun County Government Reform Commission Memorandum to the Loudoun County Board of Supervisors, November 1, 2012 at page 1.

Report"). This report provides a valuable and comprehensive overview of the agency and has become a useful foundational tool in identifying and analyzing the organizational and operational issues—as well as the anticipated costs – in converting current operations and splitting the functions, services, and responsibilities into two separate agencies.

The 2020 LCSO Report focused on seven operational aspects of conversion:

- Reduction in state funding
- Liability insurance
- Liability limitations
- Office space
- Equipment
- Classification and compensation
- Police chief versus sheriff

As part of this study, a validation analysis of the 2020 LCSO report was conducted. To the extent the observations and conclusions contained in the present study depend upon the 2020 LCSO Report for more than background, the specific underlying facts have been validated and/or independently verified. Any factual basis derived from the 2020 LCSO Report is cited separately if a) it is essential to a significant observation or conclusion, and b) additional information has informed a significantly different conclusion.

2022 Converted v. 2022 Current

In order to conduct a comparative analysis, two new theoretical agencies have been built for Loudoun County to view and compare the converted model with the current model. With the assistance of the Loudoun County Department of Finance and Budget, two new operational budget spreadsheets, one for each model, incorporate the annual expenses for all current functions. All services currently provided by the LCSO have been assigned into an operational budget spreadsheet for at least one of the two converted agencies. Two new model agencies for 2022 have been built, with independent organizational structures and budgets, so that the two "**2022 Converted**" agencies can be compared to the "**2022 Current**" LCSO organization, using 2022 compensation levels, equipment costs, and reimbursement rates.

Each operational area was reviewed and assigned to the respective 2022 converted agencies. Specific areas requiring duplication to create two new organizational charts, as well as two new full-time employee (FTE) position summaries, and two new equipment manifests in addition to the two new operational budget spreadsheets were identified. These two 2022 converted

agencies were then compared to the 2022 current agency to examine the differences in annualized operational costs.

The analysis of the Loudoun County Attorney and Department of Finance and Budget Office was considered for determining and then quantifying the issues of liability insurance, limitations of liability, and state reimbursements/contributions.

“Converted” versus “Current” models were then used as a basis for developing the timeline and implementation plan, and analyzing the short-term and long-term costs of conversion and space needs.

With the assistance of the county's Departments of Transportation and Capital Infrastructure (DTCI) and General Services (DGS), concerns and questions related to facilities and space needs are discussed in this report, including:

1. What is the current sheriff's office space and facilities footprint in the county, and the associated annualized operating costs?
2. If the county undertakes a conversion, what temporary and/or transition spaces will be necessary to accommodate the delivery of public safety services and operations of two independent law enforcement agencies from the start date?
3. What are the longer-term facilities and space needs (especially those related to assigning/providing permanent sheriff headquarters and police headquarters)?
4. What is the cost impact for providing both for the temporary and permanent expansion of spaces and facilities, equipment, fixtures, and furnishings, and the associated annualized operational and facilities management and maintenance costs?

This study examines the question comprehensively and, in its entirety, provides additional analysis and perspective to this question of conversion with a deeper reach into all seven of these operational issues, as well as the following:

- Jurisdictional questions
- Policy
- Oversight versus policy-making authority
- Chief executive accountability
- Community stakeholders
- Anticipated growth and development
- Law enforcement legitimacy and authority

01 Constitutional and Statutory Mandates, Referendum, and Legislative Approval

1.1 The Office of the Sheriff is Constitutionally Mandated

The Loudoun County Sheriff's election is mandated by the Virginia Constitution, Article 1, Section 15.2-1600(A):

*The voters of each county and city shall elect a treasurer, a sheriff, an attorney for the Commonwealth, a clerk...and a commissioner of revenue.*²⁰

Section B. establishes the extent of authority for these constitutional officers and sets boundaries for the county's Board of Supervisors:

"Nothing in this title shall be construed to authorize the governing body or the chief administrative officer of a locality to designate an elected constitutional officer to exercise a power or perform a duty which the officer is not required to perform under applicable state law without the consent of such officer, nor by designation to diminish any such officer's powers or duties as provided by applicable state law including the power to organize their offices and to appoint such deputies, assistants and other individuals as are authorized by law upon the terms and conditions specified by such officers" (emphasis added).

The emphasized language safeguards the independence of the Office of the Sheriff from local governing bodies mandating certain duties upon an elected sheriff. Section B also defines the difference between a local police department and a sheriff's office as police departments are part of the locality's government as a city, county, or town agency, and a sheriff's office is independent of the locality's government structure and the department head. A sheriff is held accountable to the voters of that locality. In the Commonwealth of Virginia, an elected constitutional officer may be removed from elected office for certain acts, which requires the initiation of a petition to be filed in Circuit Court.²¹

²⁰ To qualify for the office of Attorney for the Commonwealth, a candidate must be a member of the bar of the Commonwealth. Many states also have set qualifications for service as an elected Sheriff.

²¹ In Virginia, a sheriff, like all elected officials and officers, may be removed from office for "neglect of duty, misuse of office, or incompetence in the performance of duties when that neglect of duty, misuse of office, or incompetence in the performance of duties has a material adverse effect upon the conduct of office." Removal is initiated through a petition filed by voters in the Circuit Court. See, Code of Virginia, §24.2-233.

The Office of the Sheriff operates independently from the Loudoun County Board of Supervisors, although it receives an annual budget appropriation to support its administration and operation. However, once the funds have been designated in an annual budgetary resolution, the sheriff exercises the authority to organize the office, designate and assign personnel, set the mission and goals for the agency and personnel, and implement initiatives and strategies for maintaining public safety in all the mandated areas of the sheriff's authority:

*The sheriff shall exercise all the powers conferred and perform all the duties imposed upon sheriffs by general law. He shall enforce the law or see that it is enforced in the locality from which he is elected; assist in the judicial process as provided by general law; and be charged with the custody, feeding and care of all prisoners confined in the county or city jail. He may perform such other duties, not inconsistent with his office, as may be requested of him by the governing body.*²²

The structure of authority between the Office of the Sheriff, Board of Supervisors, and county government is discussed further in this report.

1.2 Creating a County Police Department Requires a Referendum to Relieve the Sheriff of Mandates

In 1983, Virginia adopted a constitutional mechanism allowing counties to create a county police department.²³ The Virginia Code requires counties to initiate a ballot referendum for their community members to vote on in order to gain authorization to create a police department. The following is the specific Code section:

§ 15.2-1702. Referendum required prior to establishment of county police force.

A. A county shall not establish a police force unless (i) such action is first approved by the voters of the county in accordance with the provisions of this

²² Code of Virginia § 15.2-1609. Sheriff.

The voters in every county and city shall elect a sheriff unless otherwise provided by general law or special act. The sheriff shall exercise all the powers conferred and perform all the duties imposed upon sheriffs by general law. He shall enforce the law or see that it is enforced in the locality from which he is elected; assist in the judicial process as provided by general law; and be charged with the custody, feeding and care of all prisoners confined in the county or city jail. He may perform such other duties, not inconsistent with his office, as may be requested of him by the governing body. The sheriff shall be elected as provided by general law for a term of four years.

²³ To date, 9 of the 89 Counties in Virginia have created a county-wide police department. Two others have considered and rejected it. Franklin County and Hanover County (See LCSO at p. 4).

section and (ii) the General Assembly enacts appropriate authorizing legislation.

Virginia law provides this mechanism to establish a county police department only by first “relieving” the sheriff and their office of its constitutional and electoral mandates that otherwise require the sheriff to provide a full-service law enforcement agency.²⁴ The question on the referendum ballot must ask the voters: “*Shall a police force be established in the county and the sheriff’s office be relieved of primary law-enforcement responsibilities?*” See Va. Code § 15.2-1702(B).

In the event both requirements of Section 15.2-1702 have been met, the sheriff will no longer serve as the primary law enforcement officer but instead will operate only within the remaining mandated service areas: corrections, court services, and civil/warrants. The county may establish a police department to provide for the remaining law enforcement function(s), and a police chief may serve as the chief law enforcement officer for the areas of the county that have not established police departments of their own. “*When a locality provides for a police department, the chief of police shall be the chief law-enforcement officer of that locality.*” Virginia Code § 15.2-1701. There can be but one “Chief Law Enforcement Officer” in any locality, which would require Loudoun County and its three towns with police departments to establish memorandums of understanding (MOUs) related to jurisdictional operations in advance of any transition. Questions relating to jurisdiction, especially as it relates to working the existing police departments, will be addressed in throughout the report.

1.3 The Costs and Other Impacts of Conversion

Loudoun County is considering the next steps in possible conversion, which will require specific action by the Board to approve and proceed with a referendum election.²⁵ The purpose of this report is threefold:

1. Develop a solid and reliable framework for stakeholder and voter debate and decision-making (which includes an evaluation of the current delivery of policing services across

²⁴ See the Sheriff’s mandated authority at Code of Virginia § 15.2-1609 (Set out in full at FN 19).

²⁵ Virginia Code § 24.2-684 provides the process for conducting the Referendum election: Whenever any question is to be submitted to the voters of any county, city, town, or other local subdivision, the referendum shall in every case be held pursuant to a court order as provided in this section. The court order calling a referendum shall state the question to appear on the ballot in plain English as that term is defined in § 24.2-687. The order shall be entered and the election held within a reasonable period of time subsequent to the receipt of the request for the referendum if the request is found to be in proper order. The court order shall set the date for the referendum in conformity with the requirements of § 24.2-682.

Loudoun County, as well as the performance indicators and comparisons to other agencies, and recommendations of effective practices),

2. Examine the fiscal costs, operational impacts, and policy advantages and disadvantages to further inform decision-making, and
3. Prepare a road map for conversion, including issues, challenges, and obstacles to making this change, to further inform residents and stakeholders of the potential costs, processes, impacts, timelines, and outcomes associated with conversion.

02 Loudoun County, Virginia

In addition to Loudoun County's history and demographics, its local governments (primarily counties and towns) as well as HOAs, and schools were also studied and considered: a) to the extent that their functions relate to the constitutional and statutory mandates of the sheriff's office, b) in the ways that these local government officials and leaders interact with the sheriff's office as it is currently configured, and c) the overall strategy and structure in providing for public safety county-wide.

2.1 County Government

The residents of Loudoun County currently elect the Board of Supervisors, the Treasurer, Clerk of the Circuit Court, the Commissioner of Revenue, the Sheriff, and the Commonwealth's Attorney have been serving in office since before 2000, the Commissioner of Revenue in 2003, the Sheriff since 2012, and the Commonwealth's Attorney.

In 86 of Virginia's 95 counties, the sheriff serves as the chief law enforcement officer, providing primary law enforcement services to the entire county. Only nine Virginia counties maintain county police departments; eight of the nine operate within a different form of county governance compared to Loudoun County. The ninth is not comparable in size or circumstances to Loudoun. As shown in table 1 below, Albemarle and Prince William Counties have adopted the county executive form (where the executive has increased administrative authority, including the power of appointments to major departments). Henrico County operates with the county manager form. Fairfax County operates with the urban county executive form (where no new municipalities may be established). Arlington County operates with the county manager plan. Chesterfield, Roanoke, and James City Counties all operate by county charters.²⁶

²⁶ Virginia Government in Brief (2018-2022) Virginia Assembly, p. 61.

Table 1. Virginia Counties: Different Forms of Government with Police Departments

| County | Form of Government with Board of Supervisors | Police Department | Sheriff’s Office |
|----------------|--|-------------------|------------------|
| Albemarle | County Executive | ✓ | ✓ |
| Arlington | County Manager | ✓ | ✓ |
| Chesterfield | County Charter – County Administrator | ✓ | ✓ |
| Fairfax | Urban County Executive | ✓ | ✓ |
| Henrico | County Manager | ✓ | ✓ |
| James City | County Charter – County Administrator | ✓ | ✓ |
| Loudoun | Tradiditonal Form – County Adminstrator | | ✓ |
| Prince George | Traditional Form – County Administrator | ✓ | ✓ |
| Prince William | County Executive | ✓ | ✓ |
| Roanoake | County Charter – County Administrator | ✓ | ✓ |

Prince George County is the last to have created a county-wide police department in 1995. Most similar to Loudoun, Prince George County operates within the traditional form of government. But the comparison ends there, as the county is very small, with roughly 50,000 inhabitants; the county seat, Prince George, is the largest town in the county. The county-wide police department, separated from the sheriff’s office, is the only police department that operates in Prince George County.

2.2 Loudoun County’s “Traditional Form” of County Government

Loudoun operates within the “traditional form” of county government, with five constitutional officers, all elected positions. The county receives state funding from “The Compensation Board” for a portion of the services provided by each of these constitutional officers and their respective employees, calculated each year according to the Virginia State biennial budget process. These employees are not county employees but employed separately within the constitutional Office of the Sheriff.

With this “traditional form” of government,²⁷ the Board of Supervisors takes an active role in the day-to-day operations and management of the business of the county and is responsible for

²⁷ The traditional form is not represented in the Virginia Code like the other “optional” forms; it was established under the Reconstruction Constitution of 1870, with powers and authorities conferred by general law.

the legislative and administrative affairs of the county.²⁸ The County Administrator and the County Attorney are appointed and serve “at the pleasure of the Board of Supervisors.” Neither of these appointees is authorized to conduct business on behalf of the county without the clear written authority of the Board of Supervisors acting in a majority (through delegations with limits of authority and/or a vote of at least five of the nine members).²⁹ In the case of Loudoun’s County Administrator³⁰ and County Attorney,³¹ they are contracted to provide these services.

Loudoun County’s form of government is highly relevant to this evaluation, specifically as it relates to the issues of accountability, oversight, and jurisdictional authority.

Previous studies and evaluations relating to the LCSO often begin with a comparison to the Fairfax and Prince William County models. Of note in these comparisons is the fact that in these two counties, the public safety function has been shared between a police department with a chief of police appointed by the county executive and a sheriff that fulfills the statutory mandates for management of the jail, courts, and civil service of process.

In both Fairfax and Prince William Counties, the Board of Supervisors designates a county executive who appoints the chief of police and oversees the policing agency with statutorily designated powers and duties.³²

In Fairfax County, the chief of police reports to a deputy county executive for public safety, who in turn reports to the county executive. The county executive serves at the pleasure of the Board of Supervisors. At the time of this report, Prince William County is in the process of creating a deputy county executive position for public safety similar to that of Fairfax County. The Loudoun County Board of Supervisors can consider establishing a similar reporting structure for a chief of police should it create a police department.

²⁸ Virginia Government in Brief (2018-2022).

²⁹ This type of administration is “authorized to ensure administrative action on the county board policies, prepare draft ordinances and reports and provide administrative coordination between county departments.” Emilia Istrate, Cecilia Mills, “An Overview of County Administration: Appointed County Administrators,” National Association of Counties (June 16, 2015); naco.org (accessed October 18, 2021).

³⁰ The County Administrator in this form of government has three statutory duties to perform: prepare an annual budget, serve as a Clerk to the Board, and serve as the county’s Emergency Manager.

³¹ The County Attorney and Administrator may settle lawsuits up to the \$250,000 amount of the county’s deductible, via a written delegation of authority.

³² In Prince William, “the County Executive is appointed by the Board of County Supervisors, and acts as the chief administrative officer and oversees the County government on a day-to-day basis.” <http://pwcva.gov>.

In April 2021, the Board was presented with, and took no further action on, the option of changing the Loudoun County form of government to one of the forms used in either Fairfax County or Prince William County – precisely because of the discretion and flexibility available to the Board under the traditional model.³³ Such a change also would require a referendum, with a petition requirement.³⁴

For comparison, it was noted that Fairfax County and Prince William County eliminated two constitutional officers (Commissioner of the Revenue and Treasurer) and their functions were reallocated to a Director of Finance who is directly accountable to that same strong county executive. Although both of these positions did not perform law enforcement service delivery, they are examples of change management in Virginia local governments related to the impacts of transitioning mandates from a constitutionally elected official to county governance that will be a useful case study should a transition team be formed to create a police department.

The Virginia Legislature has developed protections to ensure both the operation and the independence of county constitutional officers and has developed statutory alternatives to the traditional form in a way that continues to honor the checks and balances in the separation of powers between the county's executive and legislative functions. Loudoun County's proposal, if it goes forward, would create another unique form of government unlike any other currently in operation in Virginia, with the Board exercising both the executive and legislative functions with respect to the delivery of policing services in Loudoun County.

These two county models (Fairfax's urban county executive form and Prince William's county executive form) do not provide a solid basis of comparison on this specific question because of the significant differences in the county form among these three counties – although they are comparable for other purposes (crime rates, response times, geography, proximity to Washington, D.C., demographics, and socio-economic factors.)

2.3 The Metropolitan Washington Council of Governments

Loudoun County is one of twenty-four jurisdictions in the Metropolitan Washington Council of Governments ("COG") "featuring urban, suburban, and rural communities that range in size

³³ "The traditional form of government is malleable enough that we can do what we need to do even as we grow," said County Chair Phyllis J. Randall (D-At Large). "Loudoun Supervisors Pass for Now on Changing Form of Gov't" LoudounNow April 28, 2021.

³⁴ "[Loudoun's Supervisors] were also dissuaded by the difficulty of getting public authorization to change the government. The types of local government that would bring major changes to Loudoun's organization all require a petition signed by a number of voters equivalent to at least 20% of the total number of voters in the last presidential election—meaning in Loudoun, a petition signed by almost 45,000 people." Id.

from about 10,000 to more than one million residents.”³⁵ These jurisdictions coordinate regional planning, transportation, and responses to public safety emergencies. Representatives from the LCSO, Loudoun County Fire and Rescue, and the County Office of Emergency Management participate in regular public safety coordination meetings at various leadership levels and interact with law enforcement, fire and rescue, and public safety agencies from across the region. The COG's public safety objective is stated as follows:

“The Council of Governments' public safety and homeland security work helps ensure the *Region Forward Vision's* goal for safe communities for area residents and visitors. On homeland security, COG brings leaders together to increase the region's ability to detect, prepare, train for, and respond to man-made and natural threats. COG works with police chiefs, fire chiefs, and other first responders on a variety of public safety issues from crime prevention to fire safety. Ensuring reliable, timely emergency communication is also a priority of COG and its members.”³⁶

See Section 10 Effective Practice Recommendations for additional information regarding the LCSO participation in the COG.

2.4 Loudoun's Incorporated Towns, Airport, and Transit

The Loudoun County Comprehensive Plan and U.S. Census projections indicate that Loudoun County will continue to urbanize.³⁷ As Loudoun continues to be one of the fastest-growing counties in the country, increased demands for law enforcement services will impact the current unincorporated towns and communities. Appropriate coordinated long-term strategic planning will be important for meeting the growing demand for law enforcement services within Loudoun County.

To date, Loudoun County has seven incorporated towns: Hamilton, Hillsboro, Leesburg, Lovettsville, Middleburg, Purcellville, Round Hill, and many growing villages across the county, from Bluemont to Willisville.

Three of the incorporated towns (Leesburg, Middleburg, and Purcellville) have established independent police departments, each with its own goals and budgets for staffing and service levels. The Metropolitan Washington Airports Authority Police Department (MWAAPD) provides law enforcement services within Loudoun County at Dulles International Airport and

³⁵ See <https://www.mwcog.org>

³⁶ See <http://mwcog.org>

³⁷ See <https://www.loudoun.gov/4957/Loudoun-County-2019-Comprehensive-Plan>.

the Dulles Toll and Airport Access Roads. Additionally, the Washington Metropolitan Area Transit Authority Police Department has law enforcement jurisdiction of the rail transit stations and tracks in Loudoun County.³⁸

Long-term planning indicators continue to predict growth across Loudoun County in the future, which may create the need for incorporated towns to consider creating police departments (in the remaining four towns currently incorporated or in villages that grow into towns).³⁹ In addition, annexation of the towns by Loudoun County is also a future probability.

The greatest planned growth in the county, by far, is occurring in and planned for the areas between the Dulles Airport and Leesburg. Urban and suburban areas are forming around the airport. The bright green in figure 2 indicates areas in transition. Because of this growth, the county and LCSO are in the beginning stages of capital planning for a fifth patrol/public safety substation schedule for 2031. The sheriff's office and the county's planning department are working collaboratively to evaluate calls for service, and the rates of growth and population, to ensure the county can meet future demands for essential law enforcement services.

³⁸ <https://www.dullestollroad.com> <https://metwashairports.com/police-department-and-law-enforcement>
<https://www.wmata.com/about/transit-police/>

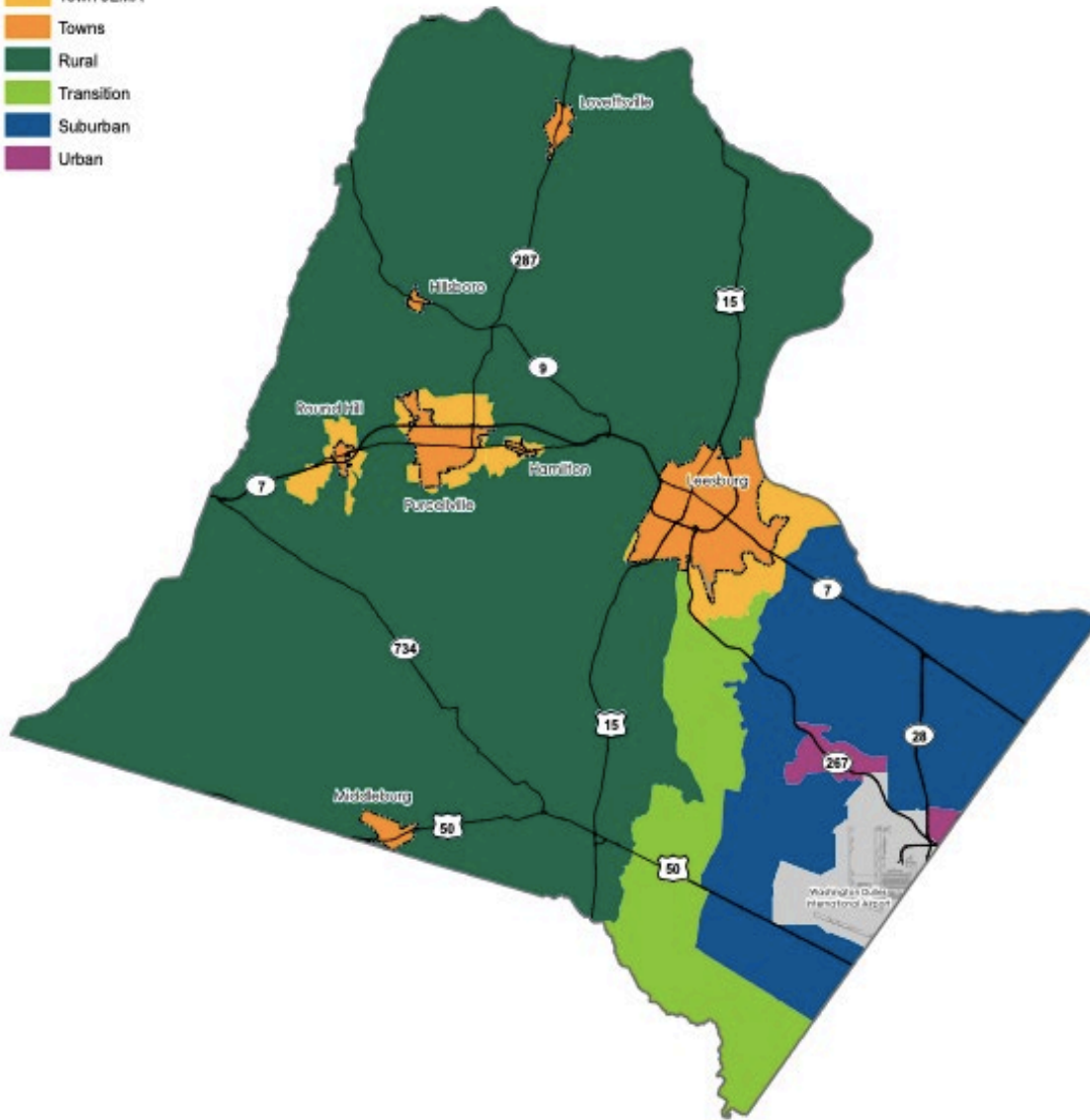
³⁹ A town can be formed from any area with a defined boundary having a population of at least 1,000, by petitioning the state legislature to grant a charter.

Loudoun County
Policy Areas
2019 General Plan



- Town JLMA
- Towns
- Rural
- Transition
- Suburban
- Urban

Figure 2. Loudoun County Policy Areas



Loudoun County IS NOT LIABLE for any use of or reliance upon this map or any information

2.5 Town Governance

The residents of Loudoun's seven towns all elect a mayor and town council members to represent them in matters of town governance – including the decisions made about the provision and delivery of essential law enforcement services. Three of these towns—Leesburg, Middleburg, and Purcellville—have decided to form and operate their own police departments. The residents of these three towns pay town taxes in addition to Loudoun County property taxes to pay for direct delivery of essential law enforcement services from their town police departments. The four towns that do not have police departments coordinate with the LCSO for all their policing services.

Whether or not these seven towns have formed their own police department, their elected representatives and appointed officials currently direct and/or participate in the delivery of policing services through the elected Office of the Sheriff. If the county transitions to a police department in addition to a sheriff's office, the transition team and the chief of police will need to review the delivery of law enforcement services to these towns and consider establishing memorandums of understanding for the Board approvals to maintain the continuity of services currently provided.

2.6 Loudoun County's Villages and Homeowners' Associations

Loudoun County is home to dozens of Homeowners Associations (HOAs). This is significant for this study because these HOAs function like small cities or towns. There are 19 HOAs in Loudoun County considered large by the CEI, defined as 2000 homes or more. These HOAs elect officers and Boards of Directors that regularly convene in noticed and public meetings with published agendas. Like councils, these elected HOA officers establish and report on the HOA budget and finances, hire and provide direction to HOA staff, adopt policies, respond to complaints, enforce covenants, provide for improvements and assessments, and consider public safety and security.

Currently, all of these HOAs and their staff and leadership engage with the LCSO to maintain public safety.

For example, the Ashburn Village HOA's offices are open 8:00-5:00 p.m., Monday through Friday; they employ 15 full-time employees, operate and maintain several community facilities, and publish a monthly magazine for residents. In August, the Ashburn Village HOA hosted National Night Out at the Lakes Recreation Center. The LCSO assisted in coordinating and brought "equipment and multiple personnel to share with our residents." The Ashburn Village HOA has adopted safety messaging, the "See Something, Say Something" campaign, to work

03 Current Loudoun County Sheriff's Office Operations and Governance

3.1 LCSO Agency Mission

The Loudoun County Sheriff and the LCSO are responsible for providing police services for the residents, visitors, schools, businesses, and places of worship within the county, as well as court services, correctional services, and civil process. The sheriff manages and coordinates the interdependent functions of the agency's services and the sheriff's mandates, as well as relationships and collaboration with other agencies, coordinates response teams and mutual aid, and provides the safety net for law enforcement services across the county.

Figure 4. Loudoun County Sheriff's Office's Mission

The Loudoun County Sheriff's Office will strive to continuously improve safety and law enforcement services to all members of our community through the Step-Up Strategy of improved service, technology, efficiency and professionalism. We will work interactively with federal, state, and other local law enforcement authorities to enforce criminal laws vigorously and fairly by sharing capabilities, strategies and assets. We will partner with community services groups and human services agencies to implement strategies that improve the quality of life for County residents, businesses, and visitors. Finally, we will engage our community through courteous and proactive outreach and communication and work diligently to constantly improve our professionalism. Every member of the Loudoun County Sheriff's Office is expected to contribute to the furtherance of this mission.

3.2 Delivery of County-Wide Policing Services and Resources

Since 1757, the Office of the Sheriff has been responsible for the delivery of all law enforcement services in the County of Loudoun. The LCSO works cooperatively with the town police departments in Leesburg, Purcellville, and Middleburg to provide additional or backup services, including:

- Investigations (major crimes)
- Crime scene processing
- Forensics
- SWAT

- Response backup
- Incident coordination, equipment, and resources
- 911-ECC dispatch (transfer to Leesburg with its own PSAP)
- Firing range – training
- Warrant and civil process services (presence and visibility)

Additionally, the LCSO partners with the Virginia State Police, federal law enforcement agencies, and COG region law enforcement agencies to accomplish its mission in Loudoun County.

Through interviews with other agencies and reviews of MOUs, the assessment has found robust relationships between the LCSO and other law enforcement agencies in the COG region. Should the Board gain approval to create a police department, it must be a priority of the transition team and the appointed chief of police to strategically plan for continuity of operational and administrative relationships established by the LCSO to carry out the law enforcement mission in the county.

3.3 Community Policing and Partnerships

The LCSO's mission statement, as noted previously in Figure 4, articulates goals for providing community engagement activities and delivering personalized and professional public safety services.

The LCSO approach to service in the community reflects a model of servant leadership, the "guardian model" discussed and recommended by the President's Task Force on 21st Century Policing:

"The guardian model emphasizes the use of communication techniques instead of commands, equity instead of authority, and tactical restraint instead of forceful measures. Designed as a conceptual hybrid of procedural justice and community policing, the guardian philosophy portrays law enforcement officers as agents of the community, working alongside the citizenry to preserve democracy and civil rights. Further, guardian teachings promote the formation and maintenance of community partnerships with aims to address specific social harms facing the community."⁴¹

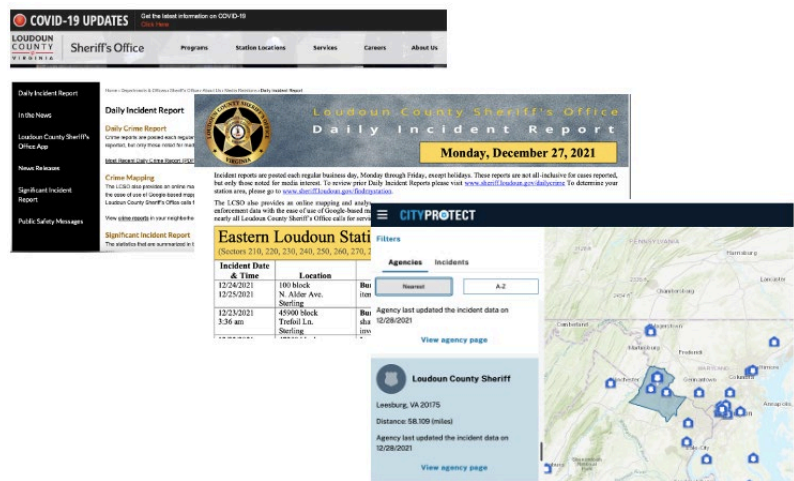
⁴¹ "A Qualitative Approach to Understanding at Guardian Models of Policing." *Qualitative Criminology* Volume 6, Issue 1, April, 2018 at www.qualitativecriminology.com (accessed Nov. 7, 2021) (citations omitted).

LCSO achieves its mission through strategies embedded in the six pillars of the 21st Century Policing Task Force Recommendations. The following are the six pillars of the President's Task Force on 21st Century Policing and corresponding examples of the LCSO initiatives to achieve each pillar.

Pillar 1, Building Trust and Legitimacy:

Building trust and legitimacy is the foundational principle underlying the nature of relations between law enforcement agencies and the communities they serve. It begins with providing easy access to meaningful information about the agency, its operations, services, and performance. It must also include consistent and numerous opportunities for resident and community participation in agency strategy.

The LCSO is proactive in developing programming and initiatives to best serve the residents, following law enforcement best practices, investing in quality training, and encouraging resident participation and feedback (in general or in response to a specific incident).⁴²



The LCSO manages a robust and interactive website, publishes a daily incident report, and links to crime mapping to keep residents up to date on safety issues in their neighborhoods.

The LCSO leverages various social media platforms, with several platforms (i.e., NextDoor, LinkedIn, Instagram, JoinLCSO.com) to keep its community informed.

The LCSO engages community members through many forums, including station quarterly meetings, station open houses, Lessons in Law Enforcement program, citizens' police academy, auxiliary program, school resource officer program, and Coffee with Deputies program. The sheriff and undersheriff personally review every resident complaint and assign immediate

⁴² The Sheriff's Website includes accessible on-line forms for filing a "complaint regarding a deputy's or other employees conduct or the level of service provided by the Sheriff's Office," or any other complaint.

follow-up. The command staff also manages every FOIA request to ensure accuracy, timeliness, and thoroughness of the information provided.⁴³

Pillar 2, Policy and Oversight:

Pillar two emphasizes that if police are to carry out their responsibilities according to established policies, those policies must reflect community values. Law enforcement agencies should collaborate with community members, especially in communities and neighborhoods disproportionately affected by crime, to develop policies and strategies for deploying resources that aim to reduce crime by improving relationships, increasing community engagement, and fostering cooperation.

The LCSO has written policies and directives which are subjected to accreditation review by the Virginia Law Enforcement Professional Standards Commission and compliance review by the Virginia Department of Criminal Justice Services. Additionally, the LCSO subjects its policies and directives to the Office of the Loudoun County Attorney for legal review.

Pillar 3, Technology and Social Media:

The use of technology can improve policing practices and build community trust and legitimacy, but its implementation must be built on a defined policy framework with its purposes and goals clearly delineated.

The discussion in Pillar 3 focused on two technologies for law enforcement that were new at the time. LCSO has implemented both of the recommendations very successfully: (1) social media (discussed above) and (2) body-worn cameras and in-car camera systems,⁴⁴ which are used by LCSO sworn officers in Patrol Operations and in the jail, to secure and provide video evidence, and the video footage also is used in internal affairs investigations.

Technology has been a focus for LCSO. In addition to leveraging social media as discussed previously and implementing both body-worn cameras and in-car cameras, they have also established an unmanned aircraft system (UAS) program, following extensive research, review, and collaboration with county administration regarding purchasing requirements and the preparation of written protocols and policies for appropriate use and training. Asset forfeiture funds were used for the purchase. The equipment is used for very limited purposes: (1) by the

⁴³ Because the Sheriff is a constitutional officer, the Sheriff is the "owner" of the records of the agency; the agency has two employees designated to manage the requests and the responses.

⁴⁴ These in-car camera systems are also used for accountability purposes; every cruiser in the agency has an e-ticket system to monitor and report the amount of time each deputy spends on a traffic stop, and also outfitted with mobile terminals, working toward a paperless system.

LCSO Search and Rescue team for the Project Lifesaver program, and (2) by the Special Operations Section for tactical incidents.

LCSO’s computer forensics investigators use the latest technology to gather evidence at crime scenes; for example, FARO systems, 3D imaging and measurement systems to digitally replicate crime scenes.

Pillar 4, Community Policing and Crime Reduction:

Pillar 4 focuses on the importance of community policing as a guiding philosophy for all stakeholders.

By design, LCSO operates four substations in four regions of the county, each serving roughly 100,000 residents with a staff of roughly 50 full-time employees (FTEs) to include the appointment of a captain as station commander,⁴⁵ lieutenants, and shift sergeants. All four of the buildings are new, well-planned, staffed, and equipped to

Figure 5. LCSO Stakeholders

| LOUDOUN COUNTY SHERIFF’S STAKEHOLDERS | |
|---|--|
| COUNTY GOVERNMENT: Board of Supervisors County Board Administration County Departments (Human Services, Social Services) Emergency Management Human Resources Budget & Finance | State and Federal Law Enforcement Agencies |
| CRIMINAL JUSTICE PARTNERS: Courts Clerk of Court Probation and Corrections Commonwealth Attorney Public Defender | LOCAL GOVERNMENT: Schools 7 Towns (elected officials & admin) Homeowners Associations |
| PUBLIC SAFETY PARTNERS: Loudoun County Fire & Rescue 3 Town Police Departments | COMMUNITY: Community Services Providers Domestic Abuse Civic Groups Businesses Places of Worship Resident Groups Media |
| | SHERIFF’S OFFICE EMPLOYEES |

accommodate the needs of local policing and community engagement.⁴⁶

Secure front-desk reception areas allow the LCSO to accommodate records and fingerprint requests, arrange meetings, and for residents to make other inquiries. Large community rooms in each of these four stations regularly host HOA meetings where the HOAs are not large enough to facilitate their public meetings. LCSO personnel facilitates and attend these meetings to answer questions or address concerns related to public safety. They host any non-profit community group that requests the space.

⁴⁵ The Town of Leesburg is its own region patrolled by Leesburg Police

⁴⁶ The Round Hill Substation is the smallest station serving the largest geographical area, but the smallest population. The staffing compliment at Round Hill is also somewhat smaller than the others. The Dulles South Station is a dual purpose Pubic Safety Facility with half dedicated to Fire and Rescue Services

Each of these stations also has two community resource officers with full-time assignments to engage residents in the community and meet with local businesses, community groups, and HOAs. The HOAs enforce their covenants, but LCSO personnel attend to issues of trespass, graffiti, property crimes, traffic safety, and criminal enforcement.

The sheriff and/or undersheriff attend roll call meetings approximately once every three months to discuss questions related to service in the community and other matters. Community members are also afforded opportunities for proactive engagement through standing meeting forums such as with HOA groups, faith-based, school, and business leaders.

Pillar 5, Officer Training and Education:

As the U.S. becomes more pluralistic and the scope of law enforcement's responsibilities expands, the need for expanded and more effective training has become critical.

The LCSO is committed to officer training education as exemplified by the following:

- 100% of sworn staff trained in crisis intervention and de-escalation techniques
- Possessing a state-of-the-art training facility equipped with technological tools to enhance decision-making in critical events
- Co-producing training with stakeholders

Pillar 6, Officer Safety and Wellness:

The wellness and safety of law enforcement officers are critical not only for the officers, their colleagues, and their agencies but also for public safety.

The LCSO proactively pursues officer safety and wellness through training programs and partnerships with mental health advocates. Examples of formalized programs in the LCSO include:

- Peer support teams
- Chaplain unit
- Employee Assistance Program staffed by two police psychologists for critical incident counseling
- Participation with not-for-profits such as the Boulder Crest Foundation

Performance Based Upon Law Enforcement Key Indicators

By all accounts and measures, the LCSO is providing exceptional service to the residents of the county, as measured through multiple performance indicators.⁴⁷

Lowest Violent Crime Rates in the COG Region

For the past twelve years, Loudoun County has reported very low levels of violent crime, with an average of 1-2 murders per year. In 2020 they reported just one murder. Accordingly, significant agency resources are dedicated to resolving and addressing property crimes and livability crimes; residents are safer because of these focused law enforcement efforts.

Loudoun County has no significant homeless population.

The standard for reporting crime data in the Commonwealth of Virginia is the National Incident-Based Reporting System (NIBRS). Within NIBRS, crimes are separated into two categories: Group A and Group B. Under the older Uniform Crime Report (UCR) system, crimes are categorized as Part I Crimes (more serious) and Part II Crimes (all others).⁴⁸

Table 2 below provides the data from Virginia State Police on reported Group A incidents (most serious crime) in Loudoun County. Additionally, Virginia State Police use the number of group A incidents per 100,000 population as a metric in determining the likelihood of a crime occurring in a Virginia jurisdiction. It also provides a metric that can be used in evaluating a community's relative safety in comparison to other Virginia communities.

Table 2. Group A Incidents

| Category | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------|---------|-------|---------|---------|
| Total Group A Incidents | 7,381 | 7,842 | 7,462 | 7,399 | 6,728 |
| Group A Offenses per 100,000 population | 2,277 | 2353.79 | 2,185 | 2,121.5 | 1,900.8 |

Source: Virginia State Police⁴⁹

⁴⁷ Given the impacts of COVID-19 in 2020, statistics for 2019 have been reviewed and evaluated as the most recent and accurate picture of the Sheriff's operations for one year. As of July 1, 2019, the Loudoun County population was estimated at 413,538, and according to the LCSO Reporting Management System, deputies responded to 161,885 calls for service, investigated 8,317 part 1 and part 2 crimes, made 5,515 arrests with 4,761 total case closures.

⁴⁸ Certain caveats must be given as this data is analyzed. Data for 2020 while accurate, likely does not completely represent either crime increases or decreases. The lockdowns that occurred because of the COVID-19 pandemic not only resulted in substantial decreases in reported crime but also Calls for Service. Additionally, LCSO changed its CAD and RMS systems in 2016. While the data for 2016 appears accurate, any time data systems are changed there is the potential for lost data during the conversion.

⁴⁹ Virginia State Police, "Crime in Virginia" https://vsp.virginia.gov/wp-content/uploads/2021/08/Crime_In_Virginia_2020.pdf

While there has been a nationwide trend in many large jurisdictions of increasing violent crime, that has not happened in Loudoun County. Loudoun County has experienced decreases in crimes against persons (murder, rape, and robbery) between 2018 and 2019 and 2019 and 2020. The exception is aggravated assault. Between 2018 and 2019, this crime category increased by 32.6%. However, between 2019 and 2020, aggravated assaults decreased by 22.5%. There is also a substantial change (increase) in reported rapes between 2015 and 2016. Shortly before this period, the UCR definitions for the crime of rape changed, and the change in Loudoun numbers reflects reporting requirement changes.

Another crime examined was burglary. Since 2016 Loudoun County saw a consistent decrease in reported burglary until 2020, when the number of reported burglaries rose to 150, a 7.9% increase over the previous year. Considering 2020 was a lockdown, this number is surprising.⁵⁰

Table 3. Specific Crime Data 2015-2020

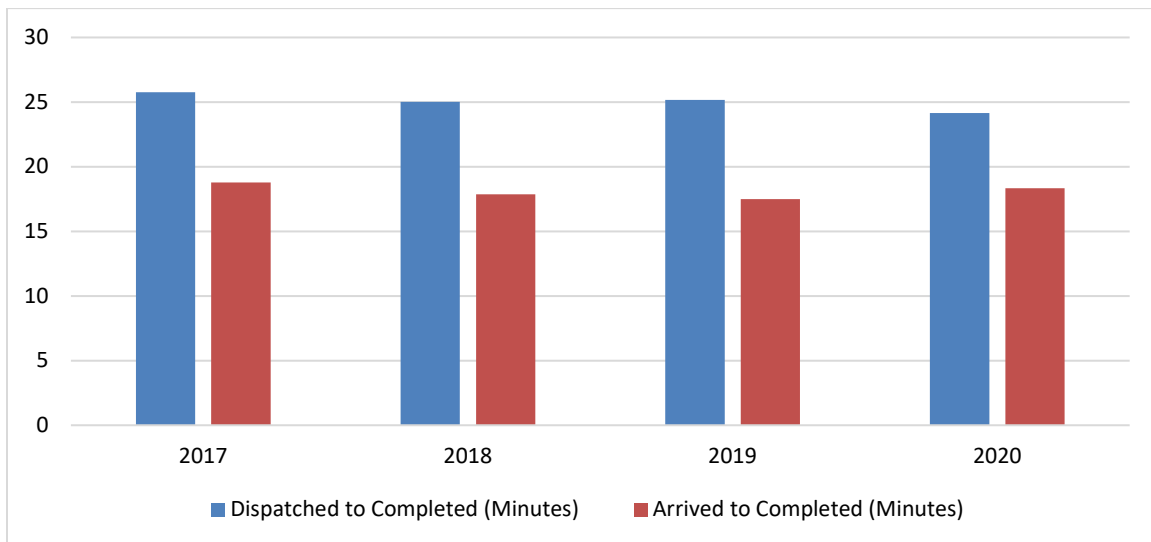
| Crime Type | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|--------------------|------|------|------|------|------|------|
| Aggravated Assault | 127 | 152 | 127 | 113 | 145 | 99 |
| MV Theft | 149 | 151 | 150 | 144 | 137 | 129 |
| Burglary | 145 | 150 | 133 | 148 | 204 | 189 |
| Homicide | 1 | 0 | 5 | 2 | 2 | 3 |
| Larceny | 1935 | 2209 | 2208 | 2589 | 2402 | 2236 |
| Rape | 125 | 178 | 200 | 181 | 121 | 39 |
| Robbery | 32 | 34 | 49 | 48 | 47 | 47 |

Improving Call Response Times

Call response times across Loudoun County improved significantly as dispatchers from the LCSO and the Loudoun County Fire and Rescue have been trained in “universal call taking,” where one dispatcher can answer all calls regardless of the type or nature of the call: fire, law enforcement or medical. All law enforcement calls for services are directed to LCSO for dispatching.

⁵⁰ LCSO may wish to examine these crime areas (aggravated assault and burglary), particularly after the reopening fully occurs more closely to identify any reasons for the increases and to consider any mitigating strategies to reduce them.

Figure 6: Mean Response Times (Minutes) by Year for Community Generated Calls for Services (2017-2020)



Source: LCSO CAD CFS data

Rare Use of Force Incidents

In 2019, LCSO reported one use of force incident per 8,095 residents.⁵¹ For the same period, Fairfax County reported one incident per 2,295; Montgomery County, Maryland reported one incident per 1,939 residents. More than 20 years ago, LCSO banned chokeholds and required deputies to report all use of force incidents. In 2013 LCSO “explicitly required deputies to intervene if they observe another deputy using excessive force.” These policies, and the accompanying training, have ensured that LCSO continues to be a respected leader in this area and to excel in comparison to other regional agencies. Every use of force incident is carefully reviewed and investigated internally, and appropriate corrective actions and training are provided.⁵²

Very High Rates of Resident Satisfaction

Calls for Service (CFS) response represents the core function of policing. Responding to citizen complaints and concerns is one of the key measures of effective police services. CFS data can be used to measure the confidence and reliance the public has in their agency. Despite the current challenges facing the profession of law enforcement, those in need of help will call the police/sheriff, regardless of how serious or simple the incident may be.

⁵¹ Relying upon the statistics provided by LCSO. (See 2020 LCSO Report pages 78-79).

⁵² LCSO “Response to Resistance Statistics” prepared January 2021 (June 11, 2021 IACP Overview Attachment No. 1)

CFS are generated from the community, self-initiated deputy activity, and other categories that do not involve a deputy response, such as towing, tip line, online reporting, dispatch handled calls, etc. The staffing model used by the IACP focuses on the community-initiated or obligated workload and uses community-initiated CFS to calculate obligated workload within the patrol division. CFS data are also critical in analyzing the timeliness of police services response, geographic demands for service, and scheduling and personnel allocations. Table 4 shows the CFS by deputy-initiated and by community-initiated for 2017-2020.

Table 4. LCSO Calls for Service

| Source | 2017 | 2018 | 2019 | 2020 ⁵³ |
|---------------------|----------------|----------------|----------------|--------------------|
| Deputy Initiated | 116,090 | 112,234 | 107,202 | 105,172 |
| Community Generated | 100,500 | 102,964 | 106,074 | 92,905 |
| <i>Total</i> | <i>216,590</i> | <i>215,198</i> | <i>213,276</i> | <i>198,077</i> |

Source: LCSO Data

The total volume of community-initiated and deputy-initiated activity for 2019 was 213,276 incidents. Based on this data, 49.7% of the calls for service workload relate to community-initiated calls for service, and 50.3% are related to deputy-initiated incidents.⁵⁴

Perhaps a better measure of resident satisfaction is the National Community Survey – Livability Survey, a report is prepared every other year, most recently in 2020.⁵⁵ By all standards, in 2020, the sample of 1,468 residents of Loudoun County care very much about safety, feel that they are safe, and are very satisfied with the quality of the delivery of policing services being provided by the LCSO.

⁵³ In analyzing the data, the effects of the COVID 19 pandemic lockdown are evident. LCSO saw a 7% reduction in overall call data, a 1.9% reduction in deputy initiated and 12.4% reduction in citizen-initiated calls. Closer analysis shows that LCSO has seen a 7.7% decline in deputy initiated CFS between 2017 and 2019. During that same period citizen initiated CFS increased by 5.5%.

⁵⁴ IACP analysis also includes detailed maps in Appendix D with the volume of calls in each of the patrol zones/beats for the study years:

- Aggregate Calls for Service for years 2017-2020
- Citizen Generated Calls for Service 2017-2020
- Deputy initiated Calls for Service 2017-2020

⁵⁵ The NCS Community Livability Report for Loudoun County, 2020,” pp. 5-17

FIGURE 22: FEELINGS OF SAFETY- SUMMARY

| Percent who feel very or somewhat safe | Comparison to benchmark | Change 2018 to 2020 | 2020 rating |
|--|-------------------------|---------------------|-------------|
| In your neighborhood during the day | ↔ | ↔ | 97% |
| In Loudoun County's downtown/commercial areas during the day | ↔ | ↔ | 95% |
| From property crime | ↔ | * | 85% |
| From violent crime | ↔ | * | 90% |
| From fire, flood, or other natural disaster | ↔ | * | 92% |

Source: National Community Survey

Eighty-nine percent (89%) of residents reported their “Overall feeling of safety” as excellent or good, and eighty-six percent (86%) reported that the “Overall feeling of safety” is an “Important Facet of Livability.”

More significantly, very high rates of satisfaction with the police/sheriff services specifically were reported at eighty-seven percent (87%) in the surveys for both 2018 and 2020, revealing consistent support for the current delivery of policing services.

Resident confidence in safety contributed significantly to “The overall quality of life in Loudoun County,” as eighty-seven percent (87%) reported this to be excellent or good. Similarly, eighty-eight percent (88%) of residents rated the overall customer service provided by Loudoun County, to include personnel from LCSO, as excellent or good, and the quality of the services as excellent or good by seventy-nine percent (79%) of respondents.

Positive Agency Morale

Compared to other agencies in the region, LCSO is reporting very low vacancy rates and has been very successful in recruiting, hiring, and retention. An agency study in December 2020 shows a 4.3% vacancy rate among sworn deputies. In the past two years, LCSO has hired 55 pre-certified law enforcement officers from Virginia and an additional 17 sworn officers from out of state.

Table 5. LCSO Attrition Rate 2016-2020

| | Resigned | Retired | Terminated | Other | Total | Authorized | % |
|------|----------|---------|------------|-------|-------|----------------|--------------|
| 2016 | 43 | 15 | 1 | 0 | 59 | 752 | 7.85% |
| 2017 | 16 | 5 | 2 | 0 | 23 | 756 | 3.04% |
| 2018 | 44 | 22 | 3 | 0 | 69 | 763 | 9.04% |
| 2019 | 20 | 12 | 0 | 1 | 33 | 774 | 4.26% |
| 2020 | 21 | 16 | 3 | 0 | 40 | 813 | 4.92% |
| | | | | | | Average | 5.82% |

In 2019, the agency reported 33 FTEs separated from employment:

- 19 resignations (8 taking other employment or relocating, but just two to another law enforcement agency)
- 10 retirements (most after decades of service, none with less than six years of service).
- 2 retirements for medical/disability
- 1 transfer to a county department
- 1 reported deceased.

The last grievance filed by an employee was in 2016, a grievance panel hearing was convened, and the grievance was resolved in favor of the discipline imposed.

As part of this study, IACP conducted a workforce survey⁵⁶ with 267 responses, the largest share of respondents (127) from Field Operations, and 46% (123) of responses from the rank of Deputy, First Class. Among other measures, large majorities of these employees report they have “received sufficient training and mentoring” for their current assignment (84% strongly agree or agree). Respondents also affirmed the agency’s commitment to maintaining and growing diversity among its ranks. Eighty-nine percent (89%) strongly agree or agree that “Employees are welcome and accepted regardless of race, color, religion, national origin, age or sexual orientation.”

The agency mission, goals, and objectives have been clearly communicated and have been understood by respondents as shown in table 6.

⁵⁶ The summary results from the workforce survey may be found in Appendix B.

Table 6. LCSO Workforce Survey: Agency Mission, Goals, and Objectives
N=237

| | Strongly Agree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|--|----------------|----------|----------------------------|--------|----------------|
| The agency has clearly identified goals and objectives. | 1.69% | 4.22% | 7.17% | 37.55% | 49.37% |
| I understand the goals and objectives of the agency. | 1.69% | 3.38% | 8.44% | 36.71% | 49.79% |
| The unit shift to which I am assigned has clearly identified goals and objectives. | 3.80% | 5.06% | 9.28% | 32.07% | 49.79% |
| There is adequate follow-through of agency goals and objectives. | 4.22% | 5.91% | 13.08% | 36.29% | 40.51% |

Overall morale was rated very high or high by fifty-seven percent (57%) of respondents, and another twenty-four percent (24%) were neutral on this question.

Consistent And Thorough Disciplinary Procedures

All employees of LCSO are expected to uphold the reputation of the agency and the highest standards of professionalism, ethics, integrity, and dedication to the public safety mission. The Internal Affairs Unit at LCSO maintains IAPro software for tracking every complaint and every disciplinary action taken against an employee. Formality is not required for filing a complaint; a complaint may be made over the phone or on Facebook, and it is given the same level of response.

Complaints against the LCSO are investigated internally before being turned over to the Loudoun County Attorney’s Office and the county’s Human Resources (HR) Department for review if disciplinary action is required. The HR department then consults with sheriff’s office staff on an appropriate level of discipline.

The sheriff, under-sheriff, county attorney, and human resources personnel review and consider all instances of disciplinary action prior to final implementation -- to ensure notice, thorough fact-finding, and an opportunity for the employee to be heard. The sheriff’s decision-making authority as a constitutional officer with employees-at-will provides the ability to

discipline and/or terminate an employee for performance issues, violation(s) of law, and/or inappropriate conduct.

Scoring 100% on All 190 Standards of the Virginia Law Enforcement Professional Standards Commission

From December 7-10, 2020, LCSO hosted a team of assessors from the Virginia Law Enforcement Professional Standards Commission (VLPEPSC) who observed and evaluated 190 aspects of the agency, including patrol, administrative and special operation functions, court security, civil process, criminal investigations, and budget. LCSO achieved a perfect accreditation, 100% on all 190 standards.

3.4 “2022” Current Agency Functions

Six Functional Divisions

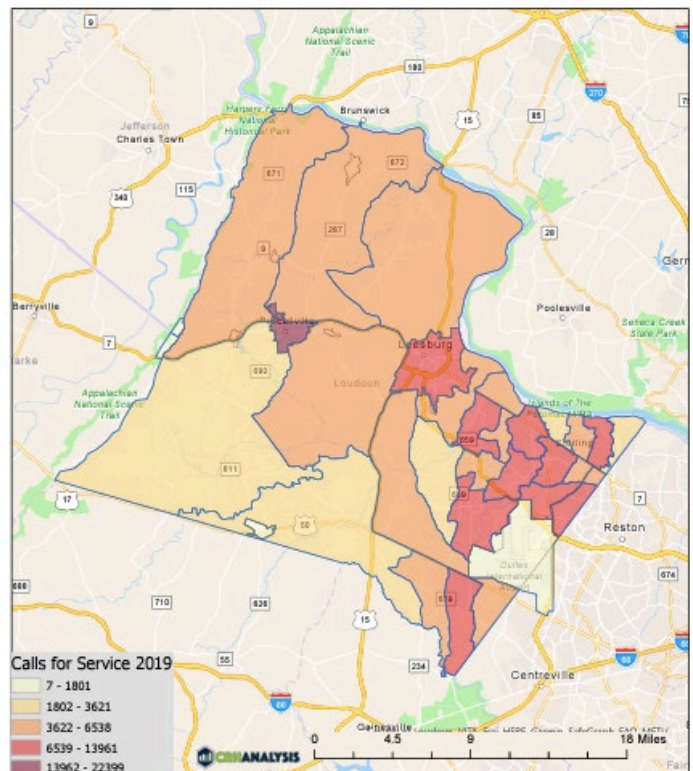
The LCSO is organized into six divisions—Administrative/Technical Services, Corrections, Court Services, Crime Investigation, Field Operations, and Operational Support—and the Office of the Sheriff.

Field Operations (Four Substations)

This division is responsible for the day-to-day enforcement of criminal and traffic laws and primarily operates out of 4 substations:

- Ashburn Station
- Dulles South Station
- Eastern Loudoun Station
- Western Loudoun Station

In addition to administrative space and the resident and community spaces, these highly functioning stations include a roll call room, workspaces, break rooms, locker rooms, gyms, equipment storage, and cleaning spaces to facilitate full-time patrolling by deputies who work 12-hour shifts. Each of the four substations also has secure entries, secure garages and sally ports, detective interview rooms, holding cells (none are used currently), and property and evidence rooms.



Each property and evidence room contains drop-off lockboxes for deputies, who can tag evidence and request forensics. All property is picked up and taken to headquarters for storage and further examination, and the LCSO has instituted several protocols to ensure the safety and security of this hand-off. Two deputies are required to transfer narcotics, one to make the transfer, the other to observe and to keep the transfer safe. There is Narcan in all four of these station property and evidence rooms.

Each station has two detectives that work the local region and a crime analyst who identifies patterns and trends, provides background research, and coordinates information sharing among the different divisions of the agency. Violent crime investigations are coordinated through the Criminal Investigations Division.

One of the substations has Intoxilyzers for DUI/DWI testing placed there solely for geographic purposes to quickly access the testing and get patrol officers back in the field. A second one is located at the Adult Detention Center (ADC).

Each station also has a "Magistrate in a Box," where detectives and officers can seek a search warrant from a Magistrate or secure charges against a suspect, on-site, via video conferencing. The use of this technology is already a best practice and indicates high levels of knowledge, training, and professionalism on the part of employees using this equipment in this manner.

The LCSO Special Operations Section (SOS) is a resource for all other divisions of LCSO. Personnel are carefully selected for this team from across LCSO, based upon their problem-solving abilities, law enforcement knowledge, character, and firearms/tactical proficiency) to assist all other divisions with search warrants, intelligence gathering, surveillance, and high-risk situations. Specialized response equipment is housed centrally in the University Sector, so the team and other county emergency responders can easily reach the equipment and quickly access all areas of the county.⁵⁷

LCSO and Loudoun County administration proactively are evaluating population growth trends and patterns and incorporating needs assessments in their long-range plans. A plan to add a fifth LCSO substation in 2032 to accommodate the fastest growing area of the county is being considered for the north end of the Dulles South adjacent to Leesburg and University sectors.

⁵⁷ Leased space is used for housing very large equipment all maintained and ready for immediate deployment and emergency response: water rescue dive equipment, trailered boat, mobile incident command vehicle, tractor all-terrain vehicles, and motorcycles for traffic control. All of this equipment is included in Loudoun County fleet inventories and maintained by General Services.

Currently, court-ordered transports are managed by sworn deputies from Field Operations. In 2019, LCSO managed 1,136 transports; in 2020, the number of transports was reduced (due to COVID) to 1,027.

Corrections

By mandate, the sheriff is responsible for the care and custody of the inmates in the ADC, which was opened in 2007, and expanded in 2010 for a total operational capacity of 476. These facilities are organized around 20 inmate housing units for housing pre-trial detainees, individuals serving local sentences, and those awaiting transfer to the Virginia Department for Corrections. The jail uses direct, podular remote, and indirect supervision models and operations are organized into several units:

- Administrative Support
- Inmate Classification (Housing)
- Work Force/ Work Release Center
- Mental Health and Medical
- Technology Support

Recent technology initiatives include court tv conferencing systems, inmate tablets, body and mattress scanners, mail scanning, and guardian wristbands.

The Corrections Division manages inmate transports to and from the jail to the courthouse. In 2019 the division managed 6,551 transports, and in 2020 the number was reduced to 2,403 due to court policies relating to COVID-19.

Administrative and Technical Services

This division provides administrative and support for all divisions and programs, including the following service areas:

- Budget and finance
- Human resources
- Employment services
- Records
- Property and evidence
- Technology
- Training
- Professional standards and accreditation
- Quartermaster

- Freedom of Information Act (FOIA)
- Crisis Intervention Team and the Crisis Intervention Team Assessment Center

The 911- Emergency Communications functions also operates and are managed within this division but are separated out for purposes of this evaluation study.⁵⁸

LCSO has just opened the brand new, state-of-the-art training center and firing range. Construction was completed, and the first class of new hires from LCSO were beginning to train in the facility as of August 2021. Classrooms, defensive tactics training rooms, an outdoor obstacle course, and two practice firing ranges will now be used for preparing area cadets for certification, training new hires, and providing continuing training.

Operational Support

Operational Support Division personnel receive specialized training and often are cross-trained to prepare them for any situation they may encounter. They are organized into three sections: Youth Services, Traffic Safety, and Crime Prevention.

Loudoun County Public Schools (LCPS) serve over 83,000 students, and LCPS is the largest employer in the county. LCSO's School Resource Officers (SRO's) receive mandatory training to include:

- 40 hours Department of Criminal Justice Services – SRO Basic Course
- 40 hours Basic Crisis Intervention Training/ Advanced CIT
- Unconscious bias training
- R.E.D. Training (Racial, Ethnic and Disparity Training)
- Insight Policing – de-escalation training
- Rescue Task Force Training – active threat training
- Threat assessment training

Annual statistics demonstrate that SROs are trained to de-escalate, not to arrest. From August 2019 to January 2020, SROs arrested only seven individuals – all were for violations that occurred outside of school. In that same period, 316 cases were managed through school administrative discipline.

Of the Loudoun County residents responding to the National Community Survey, Community Livability Report for 2020, 80% identified "Traffic" as an Essential or Very Important county

⁵⁸ The county separates out 911- Emergency Communications as a separate and 7th division, and the Office of the Sheriff also operates as a separate division for budgeting and organizational purposes. This study will track all 8 "divisions" separately to best facilitate review and analysis.

issue.⁵⁹ The LCSO Traffic Safety Section includes crash reconstruction, motor unit, and commercial vehicle enforcement.

The Traffic Safety Section coordinates the work of 41 part-time civilian crossing guards assigned to elementary and middle schools across the county. The Sheriff's Auxiliary (backgrounded volunteers) also works out of the Operational Support Division, and LCSO works to recruit, train and coordinate these citizen volunteers. They may be assigned to conduct foot and vehicle patrols, traffic control, and assist at public events. In FY 2020, Sheriff's Auxiliary Unit assisted at 460 events.

Crime Investigations

This division includes specialized units for robbery/homicide, special victims, financial crimes, narcotics and gangs, domestic violence, technical investigations, drug courts.

The LCSO crime lab provides two levels of services: crime analysis (digital forensics and biometric examination) and crime scene processing (24/7 crime scene processing for property crimes, with cameras, kits, and other equipment in their vehicles that travel the county.) LCSO and area police departments rely upon the state Regional Crime Lab and medical examiner, both located in Manassas, for other evidence testing.

The members of the specially trained Special Victims Unit investigate the most sensitive crimes involving juvenile and adult victims (i.e., sexual and physical abuse of juveniles). Every year they investigate hundreds of referrals from the county's Child Protective Services.

Court Services

This division provides security for the Loudoun County Courts Complex, including courthouse security, courthouse detention, courtroom security, and civil process. The Civil Process Unit serves summons, subpoenas, foreclosure, and eviction orders throughout the county. LCSO deputies provide advance notice to the three town police departments when serving papers within the town.

Loudoun County is building a new multi-phase, multi-million Courts Complex Expansion Project, and the current and fourth phase of the project is estimated at approximately \$23 million. The new court complex in downtown Leesburg to accommodate new courtrooms and offices for the Commonwealth's Attorney, Department of Community Corrections, Juvenile Court Services Unit, and other county departments and agencies. Existing facilities must be used during construction and will be renovated after the expanded area is complete.

⁵⁹ See "The NCS Community Livability Report for Loudoun County, 2020," p. 31.

Security screenings are required for all visitors and employees to the complex, and ADC inmates must be safely transported and escorted to court hearings. Given these security requirements and changing circumstances through the different phases of construction, the LCSO has designated two of its management-level deputies to the development of this project for the past several years; these two have worked continuously on this project for its duration. The County Board and the Sheriff have agreed to add 46 positions (all deputies) for increased staffing over a three-year period as the county prepares for the opening.

Civil Process

Deputies assigned to Civil Process made 38,285 services in 2019 (including subpoenas, court orders, other official pleadings, and notices); the number was reduced in 2020 to 27,875 due to COVID.

911 – Emergency Communications

The county's Emergency Communications Center is located in the target hardened building adjacent to the LCSO headquarters, with call taker and dispatch consoles, with texting and NextGen 911 capabilities for answering emergency 911 dispatch services and administrative calls for service. The floor is split between Fire and Rescue personnel on one side, working under the supervision of the county fire chief and sheriff's personnel on the other.

Since the Fields Consulting Study was prepared three years ago, the fire chief and sheriff have worked to implement universal call-taking training to ensure those call takers can properly identify and dispatch resources (EMS or fire) or transfer to law enforcement for appropriate response and resources.

Sixty-five to seventy (65-70%) of the calls at this Public Safety Answering Point (PSAP) result in a transfer to Law Enforcement. The Town of Leesburg operates an independent PSAP on a separate CAD system; calls that are properly answered by Leesburg Police are transferred. LCSO maintains its own redundancy backup facility (a best practice).

The Office of the Sheriff

The senior executive staff manages and supervises all programs within the LCSO. The Office of the Sheriff provides senior command and leadership for LCSO and includes Internal Affairs, Media Relations, and Communications.

LCSO Leadership

Reviews of LCSO found that deputies are well-trained, well-equipped, professional, and knowledgeable. Command-level positions are often filled from within by members of the

agency who have been hired, trained, and promoted through the ranks and have long served the communities and residents of the county. The LCSO is well-grounded in its mission to serve and protect.

The day-to-day 24/7-365 operations, policies, and protocols are professionally embedded in the agency. The LCSO meets the reporting requirements of the Virginia Department of Corrections and Department of Criminal Justice Service for the jail, training, incident reports, OSHA, and injury incidents. All lawsuits and litigation are reported to and managed by the state. County budget and fiscal policies ensure that equipment purchases, the number of positions, and the compensation rates are all set by or approved by the Board. Beyond that, new strategic initiatives, new personnel, and new equipment all require collaboration and approval through appropriate county leaders and/or the Board. The sheriff has constitutional authority for all decision-making and the selection and deployment of personnel to meet all mandates to provide essential law enforcement services.

In his third term, the current sheriff's tenure is consistent with other sheriffs in the region. The current sheriffs of Arlington County and Prince William County are each currently serving their fifth terms, respectively. The current sheriff in the City of Alexandria has recently begun his first term, with the two sheriffs preceding him serving four terms each. The current sheriff in Fairfax County is in her third term.

Should the Board and the community elect to establish a county police department in addition to the sheriff's office, this report contains recommendations to enhance the authority of the position of the county administrator or designee responsible for managing the law enforcement portfolio like the best practices of other jurisdictions in the metropolitan Washington region. This realignment of the day-to-day supervision of the chief of police by the county administrator position fosters seamless transitions of chiefs and provides accountability for achieving county strategic objectives for its police department.

The agency's command level representatives are assigned as the sheriff's designee for numerous internal and external advisory boards and committees.

LCSO 2022 Regional and Inter-Departmental Teams:

- Metropolitan Council of Governments, Investigative Commanders Subcommittee (LCSO Major Bobby Miller is Chair)
- Crisis Intervention Team Assessment Center (partnering with County Mental Health, Substance Abuse & Development Services (MHSADS))
- Sexual Assault Response Team
- The Child Advocacy Center Multi-Disciplinary Team
- The Domestic Abuse Response Team
- The Domestic Violence Steering Committee
- The Heroin Operations Team
- The Community Criminal Justice Board
- Improving Children's Outcomes for Positive Endings Team (COPE)
- The Elder Abuse Multi-Disciplinary Team

Promotional processes are intensive, with candidates submitting to an internal review process and evaluation depending upon the position and as outlined in the position announcement. Every position has eligibility requirements (experience, training, years of law enforcement, and LCSO agency service). By LCSO policy, all candidates' employment records, performance evaluations, and internal affairs records are reviewed, and candidates are evaluated based upon written and/or oral exams, resumes and/or applications. In certain cases, an assessment center simulated a leadership challenge. Candidates are ranked as highly recommended, recommended, or not recommended. The sheriff evaluates this information and makes the final decision.

However, **General Order 313.6** includes a clear statement of *ineligibility* for promotion:

Employees within the Administration and Technical Services Division will be responsible for verifying that applicants for promotion do not have any of the following disqualifiers:

One Letter of Reprimand and/or two or more Letters of Warning issued within the preceding year from the date of promotional announcement.

A disciplinary suspension within the preceding year, calculated from the date of the promotional announcement through the date of the Sheriff's official promotion appointment memo.

An employee who receives an involuntary demotion for either performance or misconduct shall not be eligible to participate in any promotional process for two years from the effective date of the demotion.

If the employee is under a performance improvement plan, he/she shall not be eligible to participate in any promotional process.

2022 Budget and CIP

The Sheriff's Budget for 2022

The county-approved sheriff's expenditure budget for FY 2022 is \$109 million, representing just under 5% of the county's \$2.3 billion annual operating appropriations. Personnel costs for 807.49 approved positions (\$97 million) account for fully 90% of the sheriff's budget.⁶⁰ The personnel budget includes salary, benefits, overtime, FICA, holiday pay, annual or sick leave payouts, etc. Other than \$11.7 million for operating and maintenance costs,⁶¹ these items are otherwise accounted for in the county's budget.⁶²

The first \$14.3 million of LCSO's annual budget comes in the form of Commonwealth Aid, with \$6 million allocated for staffing in the adult detention center and \$8 million for all other sheriff's functions. For FY 2022, local taxes fund 79% of the sheriff's annual budget.⁶³ LCSO also receives revenues that offset the overall cost of government in the form of grants, federal and state reimbursements, and fees. For the most part, these revenues will not be impacted by a potential conversion; it can be expected that the revenue streams earned within a particular division will be applied to the division's converted budget. For example, Office of Highway Traffic and Safety grants will be applied to the Field Operations Division which will follow the

⁶⁰ By all accounts, LCSO Deputies have everything they could want or need: iPhones, laptops, email, and take-home cars that are extremely well-cared for and replaced appropriately (if deputies live out of the county they must park the County's vehicle at a substation).

⁶¹ Operating & Maintenance costs are the new and/or recurring costs associated with equipping personnel (i.e., vehicles, weapons, technology).

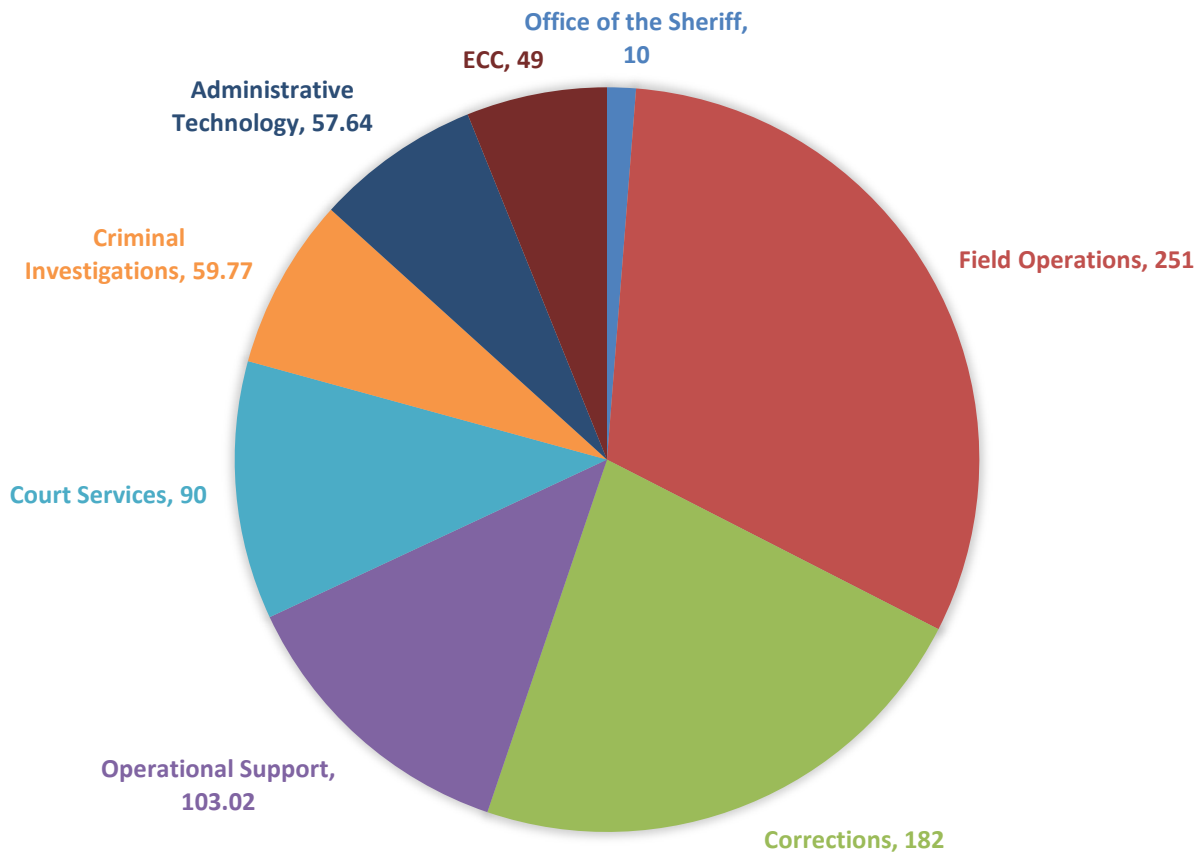
⁶² The Department of General Services (DGS) operates and maintains County-owned facilities and land, acquires and manages leased facilities, facilitates the County Safety and Security programs, provides internal support, and acquires and manages the public safety and general vehicle fleet. See 2022 FY Budget, p. I-48 at www.loudoun.gov/budget.

⁶³ "The concept of *local tax funding* in Loudoun's budget terminology refers to the revenues raised from the following local tax sources: real property taxes, personal property taxes, penalties and interest on property taxes, the County's allocation of Virginia's sales and use tax, consumers utility taxes on electricity and natural gas, the bank franchise tax, the short-term rental tax, and the 2 percent General Fund portion of the transient occupancy tax." See 2022 FY Budget, p. E-2, at www.loudoun.gov/budget.

division to the new police department annual budget and accounted for there. Unless indicated below, there is no significant impact to the LCSO revenues to be attributed to conversion.

LCSO's FY 2022 budget and personnel are allocated through six operational divisions plus the Office of the Sheriff and the Emergency Communications Center as shown in figure 7.

Figure 7. 2022 LCSO Positions by Division



The Sheriff's Capital Budget

The sheriff internally prepares a five-year capital plan and works year jointly with county administration in its development. The plan is presented to the Board and adopted as part of the annual budget resolution.

Of note, the county is building a new \$23 million courthouse expansion in downtown Leesburg to accommodate four new courtrooms and offices for the Commonwealth's Attorney, Public Defender, County Probation, and Community Corrections. Existing facilities must be used during construction and will be renovated after the expanded area is complete. Security screenings are required for all visitors and employees to the complex, and ADC inmates must be safely

transported and escorted to court hearings. Given these security requirements and changing circumstances through the different phases of construction, the LCSO has designated two of its management-level deputies to the development of this project for the past several years; these two have worked continuously on this project for its duration. As mentioned previously, the LCSO is authorized to add 46 FTEs for staffing over a three-year period as the county prepares for the opening.

The capital budget also includes planning and investments for renovations and improvements for all existing Sheriff's Facilities. The headquarters, ECC, and the four substations are new, requiring very little in the current capital budget. An expansion of the adult detention center has been planned. As part of the FY 2023 Proposed Budget, it is anticipated completion has advanced FY 2028.

Fiscal Accountability and Transparency

Due to the nature and extent of Loudoun County's fiscal and internal controls, LCSO is accountable and transparent regarding funding provided by the residents of Loudoun County. The county manages all of the sheriff's sources of funds and revenues.⁶⁴ Like any county agency, LCSO makes expenditures or books revenues which are reconciled in the general ledger. This process is supported by the Department of Finance and Budget. LCSO's budget, finance personnel, and administration coordinate with the county's Department of Finance and Budget to account for every transaction and the preparation of accurate and complete reporting on a regular basis.

The County Board sets the LCSO Agency Budget Annually and Approves all Interim Expenditures.

Preparing and adopting an annual budget every year has become a process in collaboration, with joint initiatives developed between the Board and the LCSO. The FY 2022 budget is a model of collaboration.⁶⁵ For the FY 2022 budget, the Board and Sheriff agreed to the implementation of body-worn cameras for LCSO (policies and staff regarding storage and FOIA requests, equipment costs, and plans for a roll-out), and agreed to a schedule for adding 46 new deputies for the courthouse expansion in Leesburg. The sheriff proposed these changes, and through a process of negotiation and planning, over time, all have agreed to these long-term budget adjustments., as well as for several Board initiatives.

⁶⁴ See Accounting, Auditing and Financial Reporting Policies; Capital Budget Policies; Asset Maintenance, Replacement and Enhancement Plans, 2022 FY Budget, pp. E-44 to E-46, at www.loudoun.gov/budget.

⁶⁵ This process is not without its tensions and significant give-and-take. This is not unusual among counties with an independent Office of the Sheriff.

Throughout the fiscal year, changes made to the approved budget and all interim expenditures that have not previously been budgeted and approved must be reported and approved on the Board's consent agenda or via resolution: *"Approval by the Board of Supervisors is required for changes that affect the total fund appropriations or estimated revenues."*⁶⁶ Unencumbered (unspent) funds that remain at the end of the fiscal year, according to policy, must be returned to the county.⁶⁷

LCSO must follow the procurement rules adopted by the Board for all purchases of supplies, services, and small equipment. The Board also approves all vehicle and large equipment purchases, maintenance, and replacement schedules.⁶⁸

In addition, the Board approves the Capital Improvement Plan (CIP) for LCSO. The sheriff's budget and finances are reported in the county's Annual Comprehensive Financial Report (ACFR), and the county's controller monitors accounting practices, donations made to the agency, travel expenditures, and asset forfeiture funds.

The County Board Must Approve All New Staff, Sets Rates of Pay and all Increases.

Every year, the Board sets the pay rates for all county employees and the amounts supplementing the compensation board funding for LCSO employees (essentially also setting pay rates and annual step increases). In addition, the Board sets the rate of pay for the sheriff and other constitutional officers. All job classes and new positions must be approved by the Board of Supervisors.⁶⁹

The County Board approves job classes and compensation rates and adopts annual adjustments to pay and benefits in relation to the Appropriation's Resolution, to include the rates of compensation for the sheriff and employees of the Office of the Sheriff. Collective bargaining has been approved for county workforces throughout the state;⁷⁰ however, the employees of all constitutional officers are exempt:

VA Code §40.1-57.2(D): Notwithstanding the provisions of subsection A regarding a local ordinance or resolution granting or permitting collective bargaining, no officer elected pursuant to Article VII, Section 4 of the Constitution of Virginia or any employee of such officer is vested with or

⁶⁶ See Budget Amendment Process, 2022 FY Budget, pp. E-60 to 62, at www.loudoun.gov/budget.

⁶⁷ See Budget Policies, 2022 FY Budget, p. E-79, at www.loudoun.gov/budget.

⁶⁸ The County's Department of General Services maintains the vehicle fleet and manages inventories, maintenance and replacement.

⁶⁹ See Budget Policies, 2022 FY Budget, p. E-80, at www.loudoun.gov/budget.

⁷⁰ The County is developing a process for contract negotiations and is two cycles away from contract budgeting.

possesses any authority to recognize any labor union or other employee association as a bargaining agent of any public officers or employees, or to collectively bargain or enter into any collective bargaining contract with any such union or association or its agents, with respect to any matter relating to them or their employment or service.

The employees of LCSO are not county employees and not subject to the employment authority of the county.⁷¹

⁷¹ The right to retain or not retain personnel has been granted not just to Virginia Sheriffs, but to all Constitutional Officers. See VA. Code Ann. §15.2-1603).

04 Comparable Jurisdictions

When compared to national crime statistics, Northern Virginia law enforcement agencies' crime statistics, and law enforcement agencies across the Washington D.C. metropolitan area's statistics, the LCSO does an excellent job in addressing the public safety needs in Loudoun County.

The following analysis develops comparisons between the LCSO as it currently functions and other agencies in the region, as well as other full-service sheriff's offices of similar size, geographic location, services, and circumstances. Comparison to other agencies in the state, region, and across the country aptly demonstrate the quality and skilled delivery of policing services provided by the LCSO as it is currently configured.

This report includes significant findings where reasonable comparisons were identified; however, there was no obvious comparison county/jurisdiction in the COG Region considering county population, the number of sworn officers, and the county form of government – especially when also factoring in the median income and statistics for violent crime, lines of business and agency accreditations. As it is currently functioning, Loudoun County is unique among the COG jurisdictions. Key observations from the comparison analysis below include:

- When considering crime, Loudoun County compares favorably in national, statewide, and regional comparisons.
- While there has been a nationwide trend in many large jurisdictions of increasing violent crime, that has not happened in Loudoun County. Loudoun County has experienced decreases in Crimes Against Persons between 2018 and 2019 and 2019 and 2020.
- The overall rate of homicide in Virginia from 2013-2019 is reported as 5 per 100,000 residents; Loudoun County's experience is 1 per 100,000 residents.
- The Loudoun County Sheriff's Office is a full-service agency with primary law enforcement authority, most similar to Spotsylvania and Stafford Counties. The City of Alexandria, Arlington, Fairfax, and Prince William Counties all operate both a county police department as well as a separate sheriff's office to provide mandated services.
- While Loudoun County is third in population among its Virginia neighbors (Fairfax and Prince William Counties have larger populations), it is the second-lowest in serious crime (Group A per 100,00); Spotsylvania County had the lowest number of serious crime incidents in the comparison jurisdictions.
- Among the 24 COG jurisdictions reporting, Loudoun County is the 6th largest in population but has the lowest crime incident per 1000 at 6.6 incidents per 1000.

- Among the 24 COG jurisdictions reporting, Loudoun County has the sixth largest population, and the calls for service reported by Loudoun County are the seventh-highest among them.
- For comparison, LCSO is far more similar in size, services, and circumstances to other members in the Major County Sheriffs of America (including Brevard County, Florida, and Lake County Illinois), both with elected sheriffs managing full-service agencies and serving as the chief law enforcement officer in counties with populations from 420,000 to 700,000.
- When comparing to Brevard County and Lake County Sheriff's Offices, LCSO is similar in its governance structure with their respective county boards: the Board sets annual budgets and compensation rates and limits the sheriff's budget authority through fiscal policies that apply to all county departments.
- LCSO and these MCSA comparison counties provide policing services county-wide, even though both Brevard and Lake County have a larger number of police departments operating within their counties.
- Both of these counties have higher rates of crime and higher jail populations.
- Both comparison counties have collective bargaining (LCSO does not), and all three are experiencing roughly similar rates of diversity among their sworn officers.

4.1 Crime Data

Crime rates and the effectiveness of law enforcement services are impacted by many factors beyond simply crime rates or the size of the law enforcement agency. Factors such as population density, economic conditions, educational levels of the community, and the citizens' attitude toward crime are all factors that must be considered in addition to crime statistics.

The standard for reporting crime data in Virginia is the National Incident-Based Reporting System (NIBRS). Within NIBRS, crimes are separated into two categories: Group A and Group B. Under the older UCR system, crimes are categorized as Part I Crimes (more serious) and Part II Crimes (all others).

Table 7 provides the data from Virginia State Police (VSP) on reported Group A incidents (most serious crime) in Loudoun County. Additionally, VSP uses the number of Group A incidents per 100,000 population as a metric in determining the likelihood of a crime occurring in a Virginia jurisdiction. It also provides a metric that can be used in evaluating a community's relative safety in comparison to other Virginia communities.

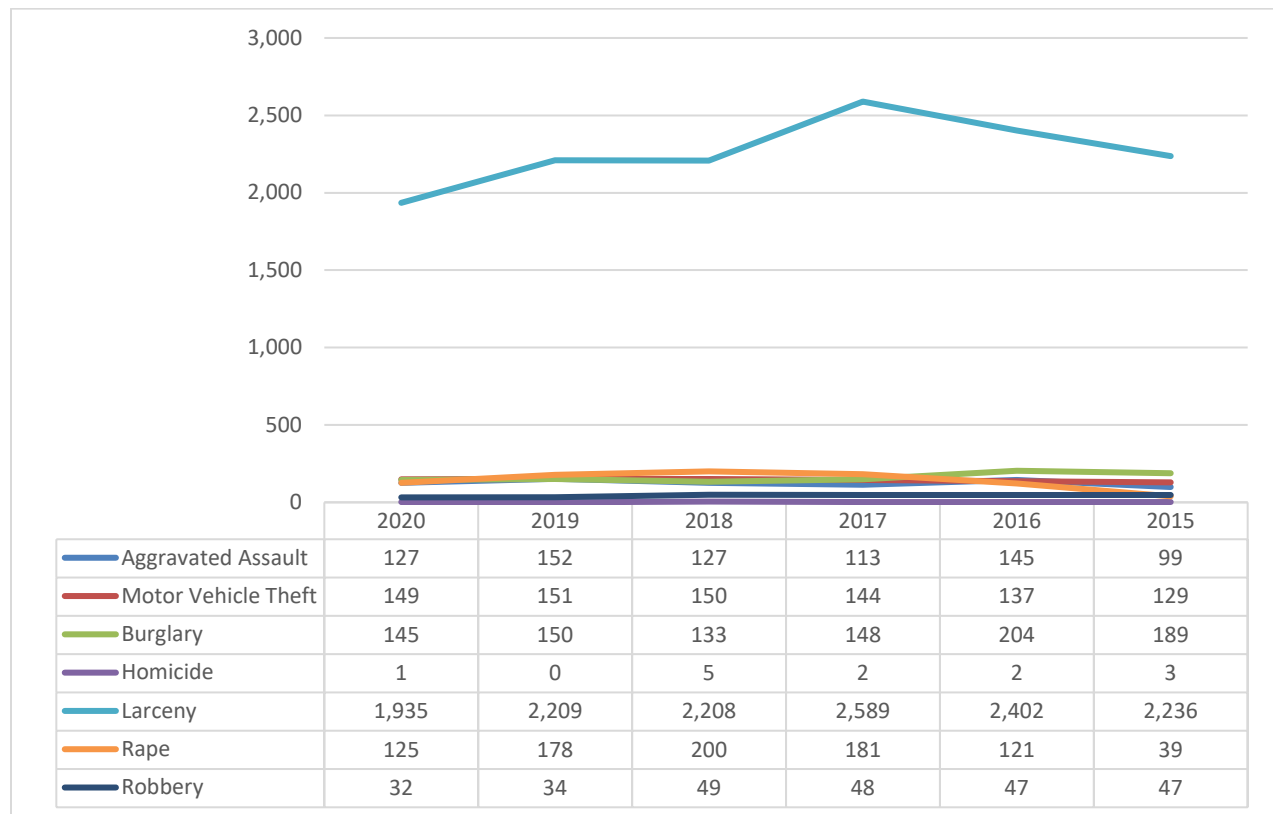
Table 7. Group A Incidents

| Category | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|-------|---------|-------|---------|---------|
| Total Group A Incidents | 7,381 | 7,842 | 7,462 | 7,399 | 6,728 |
| Group A Offenses per 100,000 population | 2,277 | 2353.79 | 2,185 | 2,121.5 | 1,900.8 |

Source: Crime in VA 2020

According to the Pew Research Center, the U.S. murder rate rose 33% between 2019 and 2020. While there has been a nationwide trend in many large jurisdictions of increasing violent crime, that has not happened in Loudoun County. Loudoun County has experienced decreases in crimes against persons (murder, rape, and robbery) between 2018 and 2019 and 2019 and 2020.⁷² The exception is aggravated assault. Between 2018 and 2019, this crime category increased by 32.6%. Using these reported numbers, over a 6-year average, Loudoun County experienced 0.5 homicides per 100,000 residents.⁷³ In fact, Loudoun County has been experiencing a decline in most crimes in the past six years.

Figure 8. Specific Crime Data 2015-2020



⁷² John Gramlich, "What we know about the increase in U.S. murders in 2020." Pew Research Center Oct. 27, 2021.

⁷³ 13 over six years for 420,000 residents.

4.2 Comparing LCSO to its Virginia Neighbors

In reviewing staffing levels, the IACP model focuses on workload for the studied agency and subunits rather than a comparative analysis with other agencies. However, it can be helpful to evaluate other departments, specifically those that the agency uses in its internal analysis. Five of the largest Northern Virginia departments, which are the jurisdictions that the county government generally utilizes for comparative analysis, were chosen. Population, staffing, and crime statistics vary greatly. A review shows that while Loudoun County is third in population, it is the lowest in serious crime (Group A per 100,00) as shown in table 8.

Table 8. Comparison of Northern Virginia Jurisdictions as Reported to the VA State Police

| Jurisdiction | Population | Sworn Strength | Group A Incidents per 100,000 | Reported Group A Incidents |
|-----------------------|------------|----------------|-------------------------------|----------------------------|
| Loudoun County | 353,951 | 575* | 1,900.8 | 6,728 |
| Alexandria | 159,277 | 314 | 3,865.6 | 6,157 |
| Arlington | 242,465 | 342 | 2,947.6 | 7,147 |
| Fairfax County | 1,105,077 | 1463 | 2,822.2 | 31,187 |
| Prince William County | 458,260 | 659 | 2,717.2 | 12,479 |

Source: 2020 Crime in VA

* Includes deputies assigned to courts and corrections

“High levels of violent crime, including homicide, compromise physical safety and psychological well-being;” these rates “provide specificity to violent crime and injury deaths,” according to countyhealthrankings.org. Overall rates of homicide in Virginia over a seven-year average are reported on this website as 5 per 100,000 residents. The estimate provided in the County Health Rankings below is a 7-year average (2013-2019).

- Loudoun County 1
- City Alexandria: 3
- Arlington: 1
- Fairfax County: 1
- Prince William County: 3

The U.S. Department of Justice Information Services also reports the 2019 homicide rate for the State of Virginia at 5 per 100,000 residents.⁷⁴

⁷⁴ See ucr.fbi.gov

Table 9. Northern Virginia Comparable Agencies

| | Loudoun County | Prince William County | Fairfax County | City of Alexandria | Arlington County |
|--|---|---|--|--|--|
| Form Of Government | Loudoun County Board of Supervisors. | County executive form of government. Elected Board of Supervisors. | County executive form of government. Elected Board of Supervisors. | Independent city. Governing authority granted by Virginia General Assembly. | County manager form of government. |
| 2020 Population ⁷⁵ | 420,959 | 482,204 | 1,150,309 | 159,467 | 238,643 |
| # Of Sheriff's Lines of Business (Out Of 7) | Administrative; Technical Services; Corrections; Court Services; Criminal Investigations; Field Operations; and Operational Support | Civil Process; Corrections; Court Security | Corrections; Courthouse Security; Civil Process | Administrative Services Bureau, Detention Center Bureau, Judicial and Special Operations Bureau, and Support Services Bureau | Internal Affairs, Administration, Judicial Services, Corrections |
| # Of Sworn Officers (Police and Sheriff Combined) | 575 | 659 | 1463 | 314 | 342 |
| Number of CFS (If possible) 2019 COG data | 161,885 | 239,831 | 491,682 | 80,928 | 87,605 |
| Annual Violent Crime Rates (VA Grp A Incidents) 2020 data | 6728 | 12479 | 31187 | 6157 | 7147 |
| Annual Operational Budget (Combined Police and Sheriff) For 2022 | \$109,000,000 | Sheriff's Office is \$129,967,080 (\$115,997,420 Police and \$13,969,660 Sheriff's) | \$272,200,000 (\$220.8 Police and \$51.4 Sheriff) | \$93,495,542 (\$62,186,247 Police and \$31,309,295 Sheriff) | \$118,002,752 (\$72,607,864 Police and \$45,394,888 Sheriff) |
| Median Income | \$142,299 | \$107,132 | \$124,831 | \$100,939 | \$120,071 |

⁷⁵ U.S. Census, Population April 1, 2020

4.4 Comparing LCSD and COG Agencies

As a further analytical tool, data from the COG was reviewed. Table 10 below illustrates the breakdown of Part I/Part A Offenses for each of the 24 COG jurisdictions, as well as the crimes committed per 1,000 people.⁷⁶ Loudoun County is the 6th largest in population of the 24 reporting jurisdictions but has the lowest crime incident per 1000 at 6.6 incidents per 1000.

Table 10. Part I/Part A Offenses by COG Member Jurisdiction, 2019

| COG Police Departments | Reporting Method | Homicide | Rape | Robbery | Agg. Assault | Burglary | Larceny | M/V Theft | Total Offenses | Crimes Per 1,000 | Population |
|--------------------------|------------------|----------|------|---------|--------------|----------|---------|-----------|----------------|------------------|------------|
| Loudoun County | NIBRS | 0 | 52 | 36 | 155 | 140 | 2,199 | 151 | 2,733 | 6.6 | 412,864 |
| Washington, D.C. | | | | | | | | | | | |
| Metropolitan (D.C.) | Other* | 166 | 188 | 2,241 | 1,575 | 1,275 | 15,588 | 2,228 | 23,261 | 33.0 | 705,749 |
| Virginia Agencies | | | | | | | | | | | |
| City of Alexandria | NIBRS | 2 | 20 | 82 | 196 | 117 | 2,093 | 233 | 2,743 | 17.2 | 159,428 |
| Arlington County | NIBRS | 2 | 41 | 92 | 150 | 158 | 2,750 | 227 | 3,420 | 14.4 | 237,521 |
| City of Fairfax | NIBRS | 0 | 3 | 11 | 8 | 11 | 330 | 28 | 391 | 16.3 | 24,000 |
| Fairfax County | NIBRS | 15 | 92 | 345 | 427 | 634 | 12,058 | 857 | 14,428 | 12.4 | 1,166,965 |
| City of Falls Church | NIBRS | 0 | 1 | 5 | 4 | 12 | 172 | 22 | 216 | 12.4 | 17,486 |
| Town of Leesburg | NIBRS | 0 | 14 | 19 | 60 | 22 | 537 | 19 | 671 | 12.4 | 53,917 |
| City of Manassas | NIBRS | 2 | 16 | 26 | 52 | 56 | 538 | 44 | 734 | 17.6 | 41,757 |
| City of Manassas Park | NIBRS | 0 | 6 | 2 | 6 | 12 | 134 | 12 | 172 | 9.8 | 17,478 |

⁷⁶ Note however, that these 24 agencies did not all report consistently, some reported through NIBRS, others through UCR reporting method -- and Washington D.C. Metro Police cited "Other" for their reporting method.

Loudoun County, Virginia
 Analysis of a Potential Conversion from Sheriff's Office to County Police Department

| COG Police Departments | Reporting Method | Homicide | Rape | Robbery | Agg. Assault | Burglary | Larceny | M/V Theft | Total Offenses | Crimes Per 1,000 | Population |
|--------------------------|------------------|------------|-------------|--------------|--------------|--------------|---------------|--------------|----------------|------------------|------------------|
| Prince William County | NIBRS | 14 | 82 | 156 | 475 | 432 | 4,027 | 341 | 5,527 | 11.9 | 463,867 |
| Maryland Agencies | | | | | | | | | | | |
| City of Bowie | UCR | 1 | 8 | 28 | 27 | 51 | 759 | 55 | 929 | 15.5 | 60,000 |
| Charles County | UCR | 5 | 64 | 118 | 352 | 284 | 1,778 | 151 | 2,752 | 17.2 | 159,700 |
| Frederick County | UCR | 0 | 20 | 23 | 152 | 153 | 979 | 51 | 1,378 | 8.2 | 169,032 |
| City of Frederick | UCR | 2 | 39 | 54 | 204 | 198 | 1,112 | 53 | 1,662 | 23.0 | 72,146 |
| City of Gaithersburg | NIBRS | 0 | 33 | 36 | 70 | 88 | 1,133 | 72 | 1,432 | 20.4 | 70,191 |
| City of Greenbelt | UCR | 1 | 4 | 41 | 68 | 60 | 588 | 75 | 837 | 36.0 | 23,281 |
| City of Hyattsville | NIBRS | 4 | 3 | 54 | 25 | 54 | 996 | 61 | 1,197 | 64.7 | 18,500 |
| City of Laurel | UCR | 1 | 8 | 48 | 61 | 69 | 722 | 78 | 987 | 35.1 | 28,130 |
| Montgomery County | NIBRS | 15 | 377 | 577 | 795 | 1,408 | 12,581 | 905 | 16,658 | 16.3 | 1,021,159 |
| Prince George's County | UCR | 57 | 158 | 864 | 975 | 1,232 | 7,526 | 2,070 | 12,882 | 14.2 | 909,327 |
| City of Rockville | NIBRS | 0 | 16 | 32 | 38 | 102 | 694 | 39 | 921 | 13.5 | 68,401 |
| City of Takoma Park | UCR | 0 | 5 | 27 | 31 | 50 | 343 | 25 | 481 | 40.3 | 11,940 |
| TOTAL | | 380 | 1331 | 4,593 | 9,591 | 6,546 | 71,871 | 10240 | 104,552 | 17.6 | 5,947,283 |

Source: MWCOG⁷⁷

⁷⁷ Metropolitan Washington Council of Governments, "Annual Report on Crime and Control" (August 2020), p7. Accessed <https://www.mwcog.org/documents/2021/10/12/report-on-crime-and-crime-control-crime-public-safety-/>

Calls for Service

For comparative analysis, CFS call data reported by LCSO the Annual COG Reports on Crime and Control in the region for 2019 reflected in table 9 below was used. The numbers in the COG report (161,885) differ significantly from the numbers the IACP team developed from LCSO CAD data (106,074). Without knowing the specific data source for the COG report, further analysis of the data was challenging. However, it does provide a valuable regional comparison. In reviewing regional data, Loudoun County has the sixth largest population. The calls for service reported by Loudoun County in table 11 are ranked number seven amongst the twenty-four jurisdictions of the COG.

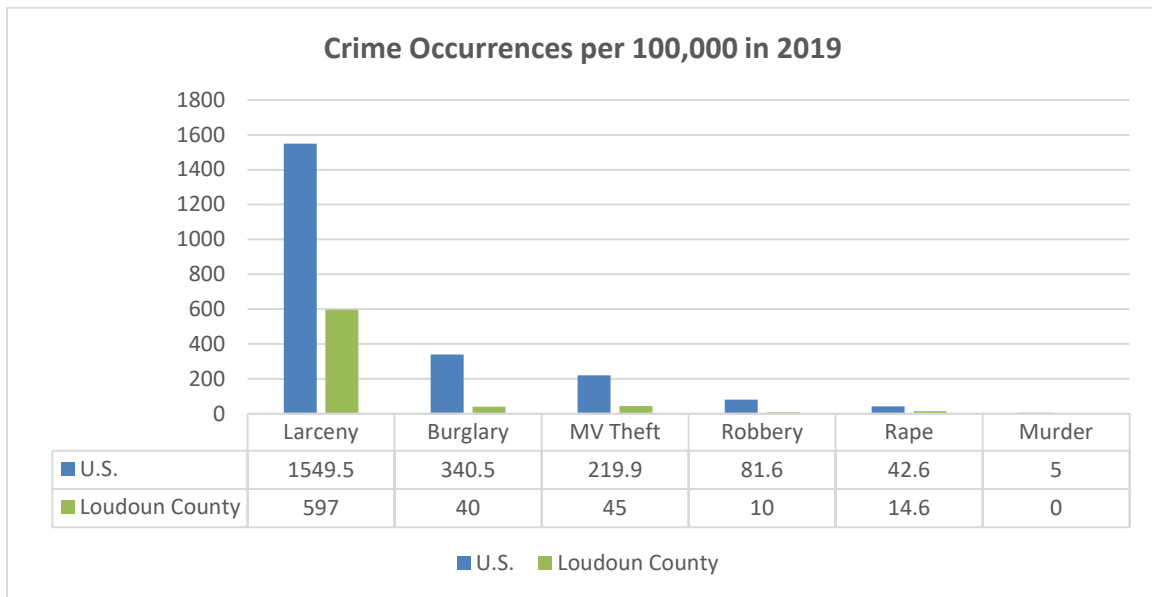
Table 11. COG Members 2019 CFS ⁷⁸

| 2019 COG Police Departments | Calls for Service |
|-----------------------------|-------------------|
| Montgomery County | 835,108 |
| Metropolitan Police (D.C.) | 662,996 |
| Prince George’s County | 530,393 |
| Fairfax County | 491,682 |
| Prince William County | 239,831 |
| Charles County | 220,428 |
| Loudoun County | 161,885 |
| City of Frederick | 106,985 |
| Frederick County | 102,655 |
| Arlington County | 87,605 |
| City of Alexandria | 80,928 |
| City of Laurel | 60,856 |
| City of Manassas | 59,822 |
| Town of Leesburg | 48,262 |
| City of Rockville | 42,139 |
| City of Falls Church | 38,645 |
| City of Bowie | 36,287 |
| City of Hyattsville | 26,679 |
| City of Greenbelt | 25,743 |
| City of Gaithersburg | 22,420 |
| City of Manassas Park | 21,635 |
| City of Fairfax | 14,580 |
| Takoma Park | 11,940 |

⁷⁸ Ibid p9

Beyond the comparison with the local and regional agencies, it is important to provide the Loudoun County community a comparison with national numbers. Loudoun County crime occurrences per 100,000 for 2019 are far below the comparable crime occurrences averages for the country as seen in figure 9 below.

Figure 9. U.S. and Loudoun County Crime Comparison



Source: F.B.I. 2019 Crime in the United States⁷⁹

4.5 County-Sheriff Governance

As noted earlier in the report, Loudoun County is unique in Virginia. LCSO is the largest full-service sheriff’s office in Virginia; the nearest in size are Spotsylvania and Stafford Counties – both serving less than half of the population of Loudoun County. Accordingly, two comparable counties from among the members of the Major County Sheriffs of America, with far more similarities to Loudoun than any of its neighbors in Virginia or the COG region, were identified for comparison. Both comparison counties are slightly larger than Loudoun in terms of population and operate as primary law enforcement agencies within their counties, with an elected sheriff serving as the chief law enforcement officer.

⁷⁹ See <https://ucr.fbi.gov/crime-in-the-u.s/2019/crime-in-the-u.s.-2019/topic-pages/tables/table-2>

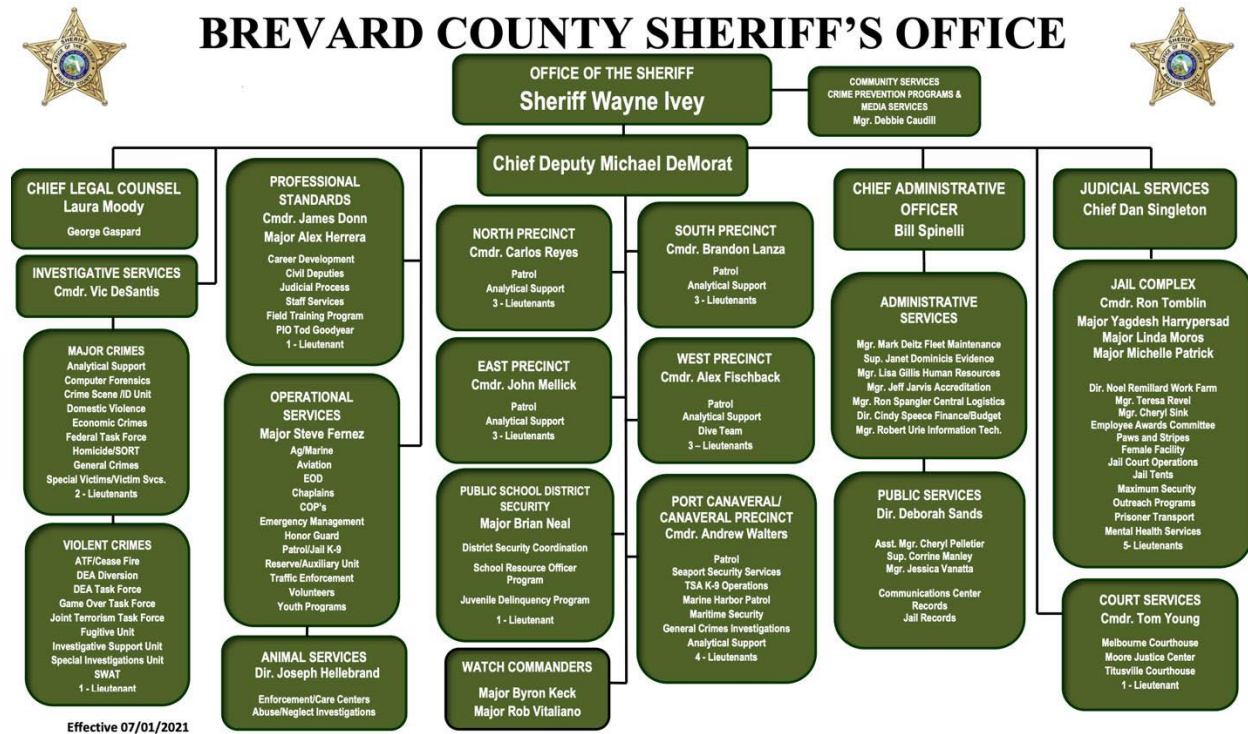
The following information was provided by the Brevard County Sheriff's Office and the Lake County Sheriff's Office:

- Neither of these counties is the largest in their respective state.
- Both have a greater number of city/suburban police departments in their county.
- Both have higher rates of crime and larger jail populations.
- Median incomes are significantly lower in both.
- The diversity of their employees is roughly similar to LCSO.
- Both sheriffs manage their emergency communications centers/dispatch.
- Both sheriff's offices have greater budget authority than LCSO.
- The County Boards in both counties set compensation rates.
- Both have collective bargaining units.
- Lake County has a Community Advisory Board (this is recommended for LCSO); and
- Brevard County Sheriff's Office provides crime scene processing, including for local police departments.

Brevard County, Florida

The Brevard County Sheriff's Office is a full-service law enforcement agency providing county-wide policing services, working with twelve local police departments. Located on Florida's "Space Coast," Brevard has a large science and technology industry and tourism industry. With a population of 606,000, Brevard County is located just 53 miles from one of the fastest-growing cities in the United States: Orlando, Florida. The agency employs 523 sworn officers and 298 corrections officers within an annual budget of \$158 million for 2022. Brevard Sheriff's deputies responded to 370,000 calls for service in 2021. The sheriff's office manages emergency communications and dispatch for the county and several of the police departments; there are a total of 11 PSAPs in the county.

Figure 10. Brevard County Sheriff's Office Organization Chart



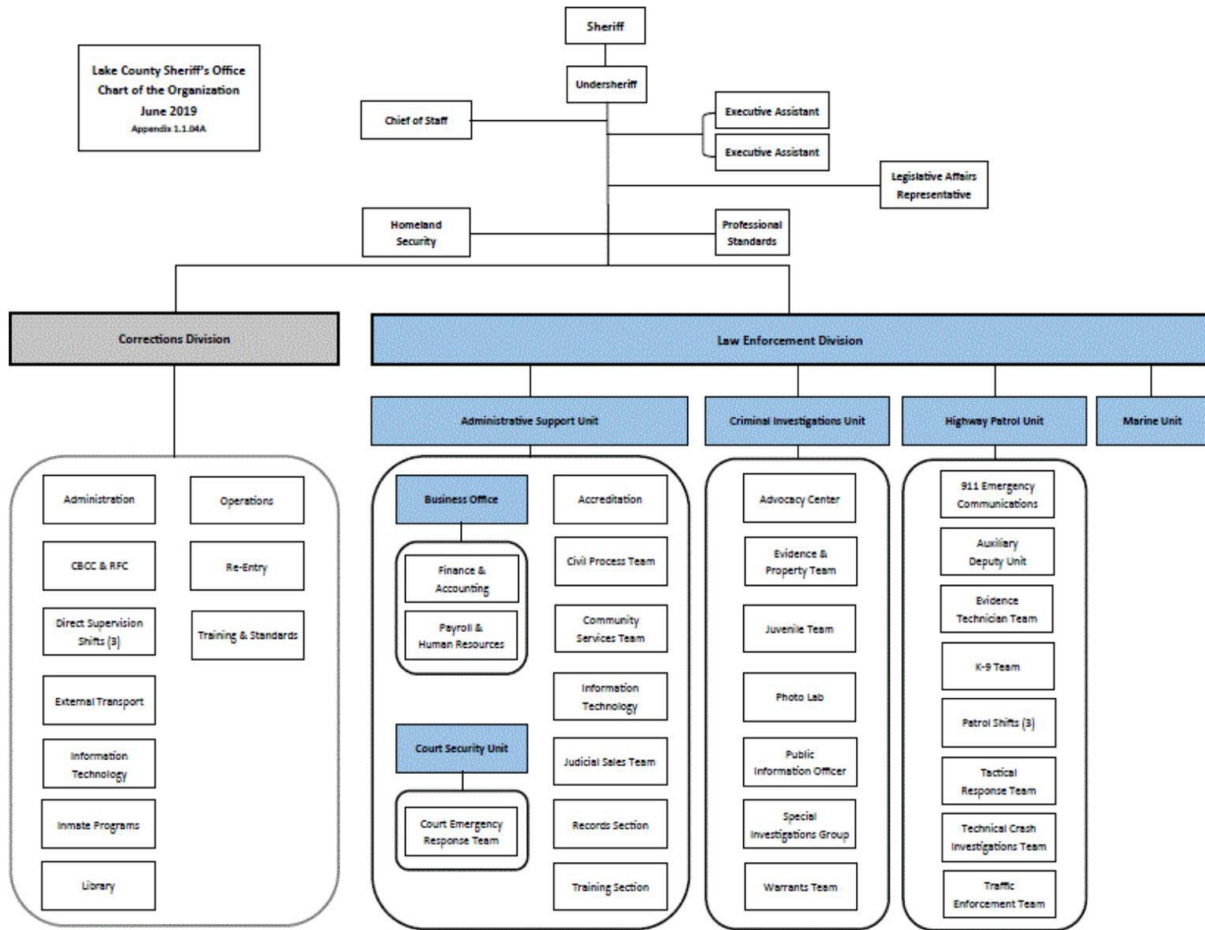
Organization chart provided by Brevard County Sheriff's Office

Lake County, Illinois

The Lake County Sheriff's Office is a full-service law enforcement agency providing county-wide policing services, working with 45 local police departments. With a population of over 700,000, Lake County is the largest of the three in the comparison and is located just 44 miles north of the regional hub of Chicago. The agency employs 136 sworn officers, 175 corrections officers, and 38 court security officers within an annual budget of \$77 million for 2022. Lake County Sheriff's Office does not provide crime scene processing but relies entirely, as do the local police departments, on state-provided services from the Northeastern Illinois Regional Crime Lab. The sheriff's office manages emergency communications and dispatch for the county and several of the police departments; there are a total of 21 PSAPs in the county.

Figure 11. Lake County Sheriff's Office Organizational Chart

Lake County Sheriff's Organizational Chart



Organization chart provided by Lake County Sheriff's Office

Table 12. County-Sheriff Governance Comparable Agencies.

| | Loudoun County, VA, Sheriff's Office | Brevard County, FL, Sheriff's Office | Lake County, IL Sheriff's Office |
|--|---|---|--|
| Agency lines of business | Law Enforcement Agency | Brevard County Sheriff's Office - Law Enforcement Agency | Law Enforcement Agency |
| County Population ⁸⁰ | 420,959 | 606,612 | 714,342 |
| Number of sworn peace officers and number of non-sworn | 575 | Sworn Law Enforcement: 523 Sworn Corrections: 298 Non-sworn Civilians: 452 | Sworn: 136 Corrections: 175 Court Security: 38 Marine Unit: 11 Telecommunicators: 27 Civilians: 54 |
| Diversity of agency workforce/sworn | 73.94% White 10.21% Black% 7.04% Hispanic 5.46% Asian 0.18% Native American | Males: 76.9% White, 9.1% Black, 12.6% Hispanic, 1.1% Asian or Pacific Islander, 0.3% Indian or Alaska Native Female: 76.5% White, 17.6% Black, 5.0% Hispanic, 0.4% Asian or Pacific Islander, 0.4% Indian or Alaska Native | Corrections: Males 78%, Females 23%, 67% White, Blacks 21%, Hispanic 12%, Asian 1% Sworn: Males 79%, Females 11%, 87% White, Blacks 4%, Hispanic 6%, Asian 3% |
| Annual Violent Crime Rates | 6.6 per 1000 residents | 374.1 | 10.6 |
| Number of local police departments | 3 | 12 | 45 |
| Median income | \$142,299 | \$56,775.00 | \$89,427 |
| Largest city in county/ closest metro area | Leesburg (48,250 – 2020) | Largest in Population - Palm Bay, Florida (106,573) | Waukegan (87,297) |

⁸⁰ U.S. Census, Population April 1, 2020

| | Loudoun County, VA, Sheriff's Office | Brevard County, FL, Sheriff's Office | Lake County, IL Sheriff's Office |
|---|--|--|--|
| | | Closest metro area - Orlando, Florida (307,573) | |
| Annual operational budget for 2022 | \$109,000,000 | \$158,747,125.00 | \$77,151,868 |
| Sheriff non-budgeted and purchasing authority (board approvals required when) written fiscal policies available | Board review and approval of all budgeted and non-budgeted spending, in even the smallest of increments. | Purchases over \$50,000 require the Sheriff and the Chief Financial Officer to sign off on the purchases. | Board approvals over \$30,000 |
| Does Board or Sheriff set/negotiate compensation rates | The Board sets the compensation rates. | Compensation rates are negotiated based on a collective bargaining agreement between Brevard County Sheriff's Office and Coastal Florida Police Benevolent Association | The County Board sets/negotiates compensation rates |
| Average daily jail population? Pre or post adjudication or both? | Current 2021 average daily jail population, both pre and post adjudication: 200-220 | Current 2021 average jail population, both pre and post adjudication: 1,551 | ADP: 482, Pre this year to date: 2098 Post adjudication this year to date: 310 |
| Do you have a Sheriffs Community Advisory Board or equivalent? | No | No | Yes |
| Do you operate crime lab or crime scene processing? Is this for your agency or county wide? | The Loudoun County Sheriff's Office does have full crime-scene processing capabilities and processes crime scenes countywide. Upon | BCSO does not operate a crime lab, however, we do provide crime scene processing for our agency and also smaller surrounding | No, there is the county-wide, Northeastern Illinois Regional Crime Laboratory |

| | Loudoun County, VA, Sheriff's Office | Brevard County, FL, Sheriff's Office | Lake County, IL Sheriff's Office |
|--|--|--|--|
| | request, they also assist Leesburg Police Department. The Sheriff's Office processes latent prints, computer forensics, and digital evidence. The Sheriff's Office uses the Virginia State Crime Lab for ballistic comparison, DNA, and drug analysis. | agencies upon request. | |
| Does Sheriff manage ECC/Dispatch? How many calls per year? How many PSAPs in county? | The Sheriff's Office and the Fire Rescue jointly run the ECC. Loudoun County has the only PSAP. Leesburg Police Department runs its own dispatch, but it is considered a secondary PSAP. Loudoun County Sheriff Deputies responded to 198,077 calls for service in 2020. | Yes 2018-2020 Average calls per year: 490,453 2021 year to date - Brevard County Sheriff's Office deputies responded to 370,226 calls for service 2021 Year to date calls for BCSO - to include the contracted dispatch services for 3 local police departments: 433,177 10 Primary PSAPs and 1 Secondary PSAP (Brevard County Fire Rescue) | Yes, the Sheriff manages the ECC/dispatch Information not provided 21 PSAP in the county |

4.6 Staffing

Salaries for deputies and police officers have been studied regionally and regularly by Loudoun County every two years, and LCSO is currently competitive within the region. The salary for a new deputy just starting in Loudoun County ranks number two in salary in the region. Prince William County often reports higher annual salaries for new deputies just starting. The market rate studies for 2023 are included in Appendix C.

Employees in the LCSO are not as diverse as the county workforce and not as diverse as the county’s overall employment population. Still, the overall diversity of the agency is similar to the rate of diversity (approximately 23%) when compared to overall county employment (approximately 24%). The Policing in the 21st Century initiatives and efforts at diverse recruiting and hiring in the sheriff’s office are to be commended. The agency would benefit from more diversity and new approaches and strategies to accomplish this goal.

Table 13. County and Sheriff Diversity Rates Comparison

| | LCSO Demographics | County Labor Force |
|---------------------------------|-------------------|--------------------|
| White | 74.73% | 70.21% |
| Black | 10.25% | 9.46% |
| Asian | 2.30% | 4.72% |
| Hispanic | 7.24% | 6.67% |
| Not classified/Other race alone | 2.30% | 8.94% |

Demographic data provided by LCSO and by Loudoun County

Loudoun County is just one agency of thousands that face this challenge. One study that looked at data from 467 agencies across the country with 100 or more sworn officers for the period of 2009 to 2016 found that 332 of the 467 agencies became more white in that period relative to their population. Just 135 were successful in adding to their overall diversity when compared to the population of the communities they serve. This is a national law enforcement issue and not a local issue. According to the analysis, larger agencies are more successful in recruiting diverse officers, and the smaller rural agencies face greater challenges.⁸¹

⁸¹ Lauren Leatherby and Richard A. Oppel, Jr. “Which Police Departments are as Diverse as Their Communities?” *The New York Times*, Sept. 23, 2020

05 Model for Two Separate Agencies: “2022 Converted”

The best way to provide a cost analysis for the annual impact on the cost of government for this contemplated change, is to compare the 2022 LCSO against itself. Accordingly, to conduct a comparative analysis, snapshots in time for two new theoretical agencies have been built for Loudoun County, with independent organizational structures and budgets, so that the two “**2022 Converted**” agencies can be compared to the “**2022 Current**” LCSO organization, using 2022 compensation levels, equipment costs, and reimbursement rates. Three critical assumptions underly the development of conversion and transition costs and planning within the analysis:

- **Assumption 1: Funding levels, rates, and amounts used throughout the analysis for both the “2022 Current” and “2022 Converted” agencies are those adopted by the Loudoun County Board of Supervisors in its 2022 Budget.**

The Loudoun County Finance and Budget Office and the County's Departments of Transportation and Capital Infrastructure (DTCI) and General Services all were consulted for assistance in setting the amounts for adding new positions and equipment at 2022 budgeting amounts. The LCSO, Finance and Budget Office, and County Attorney's Office all were consulted in determining and then quantifying the issues of liability insurance, limitations of liability, and state reimbursements/contributions.

With the assistance of the county's Departments of Transportation and Capital Infrastructure (DTCI) and General Services (DGS), concerns and questions related to facilities and space needs. A full description of the LCSO Annual Budget and Capital Budget is provided in Chapter 3.

- **Assumption 2: Separation of the law enforcement services from the sheriff's mandated services will require the creation of two fully operational, independent, and self-sufficient agencies.**

The sheriff's office and sheriff's deputies always will retain full law enforcement authority throughout the county as sworn officers. Accordingly, duplication and significant expansion of the number of positions and the annual budget are unavoidable. At some point, the two agencies may develop a cooperating agreement or mutual aid agreement for shared services, but none can be required.

- **Assumption 3: The contemplated conversion is very different from creating an entirely new agency where services and service levels are new to the community and residents.**

Here, the residents depend upon the seamless delivery of policing services and levels. Both must be able to operate fully before the Office of the Sheriff discontinues its law enforcement operations; there is no backup, so transition planning must include fail-safe, safety-net, and/or overlapping services.

Two converted agency budgets were constructed step-by-step for comparison, and served as the foundation for developing the fiscal impacts, comparative analysis, and cost-benefit-risk analysis:

1. Re-assign all of the agency's current lines of business to one of the two converted agencies;⁸²
2. Examine current personnel positions, equipment, and budget amounts for each of the lines of business, and assign them to one of the Converted Agencies;
3. Consult with Loudoun County Department of Budget and Finance to capture 2022 compensation levels, equipment costs, and reimbursement rates, analyze and confirm one-time, short-term, and long-term budget items, and develop facilities needs;
4. Identify additional personnel positions, equipment, and budget amounts needed to complete the staffing for each of the lines of business in the two converted agencies, to maintain a) current service levels and operations, and b) recommended best practice levels and operations
5. Review and consider other revenues, expenses and other budget impacts for full operation of the converted agencies, including facilities and space needs.
6. Review and consider direct and indirect impacts to other Loudoun County public safety operations and departments and develop recommendations for additional personnel, equipment, and potential re-alignment.
7. Assess each of the areas of revenue, expense and other budget impact, for assessing one-time, short and long-term impacts; these costs and impacts form the foundation for the timeline, implementation plan, and analyzing the short-term and long-term costs of conversion and space needs.

⁸²For the most part these lines of business were easily assigned, but there were a few lines of business that required additional consideration, as more fully described below.

8. Identify and resolve questions wherever possible, with additional inquiry and information;
9. Assemble and review new spreadsheet to consider annualized impacts; validate; review; discuss; revise.
10. Prepare comparative analysis, cost-benefit-risk analysis, narrative statements and financial impact statements; validate; review; discuss; revise.

The FY 2022 allocation of funds and positions have been divided in table 14 below based upon each of the eight functional areas to demonstrate the areas of clean separation and the areas of necessary duplication.

Table 14. 2022 Allocation of Funds: LCPD and LCSO Lines of Business

| Corrections | Court Services | Administrative and Technical Services | Office of the Sheriff | Field Operations | Operational Support | Crime Investigation | 911 – Emergency Comms |
|--------------------------|------------------------|---------------------------------------|------------------------|--------------------------|-----------------------------|----------------------------|------------------------|
| \$25,602,654 182 FTEs | \$9,657,518 90 FTEs | \$12,126,764 57.64 FTEs | \$1,997,704 10 FTEs | \$32,329,961 251 FTEs | \$11,465,887 103.02 FTEs | \$10,269,961 59.77 FTEs | \$5,552,151 49 FTEs |
| SHERIFF MANDATES | SHERIFF MANDATES | AREAS OF DUPLICATION | AREAS OF DUPLICATION | PROPOSED POLICE | PROPOSED POLICE | PROPOSED POLICE | PROPOSED POLICE |

5.1 Converting the Agencies

Step 1: Split Positions by Division

The mandated services of corrections and court services (to include civil service of process) were allocated to the new 2022 converted sheriff’s office. The sheriff would retain current funding levels for sheriff’s office functions: corrections, court services, administrative technology, and the Office of the Sheriff.

**Sheriff’s Budget: 340 Positions
 (approximately 45.5% of current annual budget)**

Similarly, four lines of business (field operations, operational support, crime investigations, and the ECC) logically would be allocated to the new 2022 police department.

**Remaining for New Agency to Start: 463 Positions
 (approximately 54.5% of current annual budget).**

The new police agency will require additional funding for its annual operations to provide leadership (Office of the Chief), administrative technology services, support and functions, and additional personnel as more fully described below.

Table 15. Conversion Position Count

| Conversion FTE Count | Sheriff | Police | County |
|---|------------|------------|-----------|
| START | 809/803* | 0 | |
| STEP 1: Split current positions (803) by division | 340 | 463 | |
| STEP 2: Shift 24 positions back to LCSO | 364 | 439 | |
| STEP 3: Add 22 for Office of the Chief, Administrative Technology | | 461 | |
| STEP 4: Add 3 positions for 60% obligated time | | 464 | |
| STEP 5: Add 70 positions recommended proactive time | | 534 | |
| STEP 6: Add 13 county employees | | | 14 |
| Agency Count Minimum to Start | 364 | 464 | 14 |
| Agency Count Recommended | 364 | 534 | 14 |

*Authorized/Budgeted: 809, Actual Count 803

Step 2. Shift 24 Positions Back to Sheriff

Warrants and Transports for Sheriff’s Office (Shift 24 Deputy Positions, Cost Impact: \$0)

After this adjustment to staffing, the sheriff’s office would retain 364 positions of the original 809, and the police department would begin with twenty-four less: 439 positions.

The sheriff’s office reports that in 2019, the agency served 3,918 warrants, accommodated 1,136 court-ordered transports, and transported 6,551 inmates to court.

Assuming policing functions are removed from the sheriff’s office, the sheriff’s office will need to retain 20⁸³ additional deputies to continue related functions currently provided within the combined agency by sworn deputies assigned to the field operations and operations support divisions for service of warrants and court-ordered transports.

Crime scene technicians and detectives also will be needed to investigate alleged criminal conduct within the jail.

⁸³ The Special Operations Section is the agency’s tactical team, with 16 deputies that currently serve the majority of the criminal warrants.

These positions are transferred here. It is assumed this transfer also eliminated the need for these 13 first responder positions for minimum staffing in a new police agency due to reduced workload.

| |
|--|
| <p>Fill Operational Vacancies (24 Retained Positions - Transfer) 20 Deputies/ Cars for Warrants and Transports 4 Detectives</p> |
|--|

Step 3: Add Positions to Office of the Chief and Administrative Technology

New Police Department Positions: Office of the Chief and Administrative Technology (Cost Impact: \$3,186,828)⁸⁴

Following the addition of these 22 positions, the police department position count has been adjusted to 461 positions for the minimum to start.

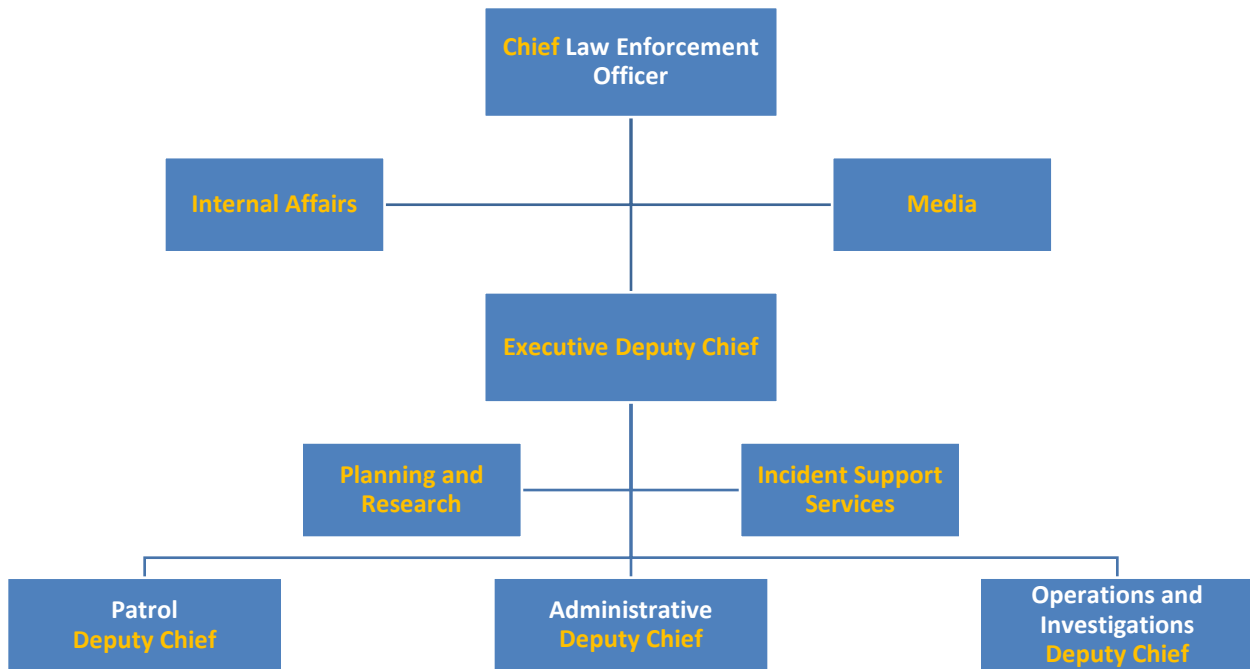
Considerations for operating an agency with the minimum staffing to start is projected to require the addition of new personnel in the minimum number of 22 positions, with an additional 79 positions, for a total of 101 new positions, to meet the 540 positions police department required for the best practice recommendations and supporting analysis discussed in section 8.

Office of the Chief

Both the sheriff's office and the new police department will require a sheriff/chief and command staff to provide leadership for the agency.

⁸⁴ One-time costs for these positions is \$559,100; annual/reoccurring costs are \$2,627,728.

Figure 12. LCPD Proposed Senior Leadership Organizational Chart and Positions



| |
|---|
| <p>Office of the Chief (10 New Positions - \$1,539,173)</p> <p>Chief</p> <p>1 Executive Deputy Chief</p> <p>3 Deputy Chiefs</p> <p>Planning & Research Director</p> <p>Internal Affairs Director</p> <p>Incident Support Services Director</p> <p>Media Director</p> |
|---|

Administrative Technology Functions

Similarly, function areas currently included in the Administrative Technology Division must be provided in both agencies to ensure independence and full functionality. These functions and positions include records management, property and evidence, quartermaster, human resources, budget and finance, IT, communications, and administrative support. Just as there are likely to be some cost savings by eliminating positions due to diminished demand for these critical support services, neither agency can function without fully staffing all of these positions, including all relief factors.

Due to the variety of positions and duties for the personnel in Administrative Technology, this is an area of duplication that cannot be avoided. However, the transition process is recommended to include a full review and audit of positions and job classes to ensure efficient and effective use of resources. There are certain to be positions that may be eliminated during a transition review. The impact of full duplication in these two lines of business, on an annualized basis, could result at most in the duplication of 67.64 FTE positions and \$14 million, but the specific positions and costs anticipated are shown in the text boxes and estimated amounts.

Admin Tech area (12 new positions - \$1,677,655)

2 Human Resources
2 Information Technology
2 Property and Evidence
Records
Quartermaster
Budget and Finance
1 Communications
1 Legal/Data/FOIA
1 Board of Supervisors and Administration liaison
7 Administrative Support

Step 4: Add 3 Positions for 60% Obligated Time

New police department: Add 3 positions to Patrol Operations to Meet Requirement of 60% Obligated Time (Estimated Impact: \$680,497)

Following the addition of these 3 sworn positions, the police department will meet minimum staffing requirements in patrol operations, and the agency position total will be 464 positions.

Loudoun County has established a performance benchmark for patrol response requiring a patrol deputy's obligated time should not exceed 60%. The workload analysis indicates that the current workload for a patrol deputy (at a first responder strength of 185) is at 64%. To meet the benchmark of 60%, an operational minimum for first responders requires 198 patrol officers, an addition of 3 positions. A more detailed discussion the performance benchmark can be found in section 8.4 of this report.

Step 5: Add 70 Positions Recommended Proactive Time

New Police Department: Add 70 Positions to Patrol Operations to meet Staffing Best Practices (Estimated Impact: \$15,190,909)

Following the addition of these 70 sworn positions, the police department will meet recommended staffing requirements in patrol operations (79s sworn officers, four sergeants) with one crime analysis coordinator; the agency position total will be 534 positions.

The patrol operations and workforce analysis demonstrate the need for an additional 79 positions to meet best practices recommendations⁸⁵ for patrol operations and four sergeant positions for supervision.⁸⁶ The specific assignments are included in the proposed police department organizational charts in Appendix A. One additional position is recommended as a crime analyst coordinator. All costs have been calculated at the sworn deputy rates.

Additional sworn officer positions can be added to this fiscal analysis individually or in groups of ten. The costs have been configured to include all of the new vehicles,⁸⁷ equipment (laptop, phone, body-worn camera, uniforms, and other equipment) as well as fuel costs within the aggregated cost of one new or ten new officers (again, using 2022 actual rates). The total cost impact shown below accounts for 84 additional sworn positions.

Table 16. Cost Impact 1-84 Positions

| Number of New Sworn | Aggregate Impact* | One-Time Cost to Equip | Annual Re-Occurring Cost |
|---------------------|-------------------|------------------------|--------------------------|
| 1 | \$255,575 | \$105,625 | \$162,450 |
| 10 | \$2,044,599 | \$845,000 | \$1,299,599 |
| 12 | \$2,555,749 | \$1,056,250 | \$1,624,499 |
| 24 | \$5,111,498 | \$2,112,500 | \$3,248,998 |
| 80 | \$16,356,792 | \$6,760,000 | \$10,396,792 |
| 84 | \$18,299,500 | \$7,182,500 | \$11,046,592 |

⁸⁵ Wilson, Jeremy M., and Alexander Weiss. "Essentials for Leaders: A Performance-Based Approach to Police Staffing and Allocation." *Annotation* (2012).

⁸⁶ Because these are best practice recommendations, the Sheriff’s Office will want to consider the addition of some or all of these positions – even if the County elects not to go forward with conversion.

⁸⁷ According to General Services, currently 47 vehicles are dedicated to Corrections, Courts, Civil Process and other Sheriff only functions. The remaining 533 vehicles are dedicated to policing functions such as Patrol, Criminal Investigations, Operational Support, Admin Tech and spare vehicles. In the event the Agencies are divided, this Fleet Inventory will need to be reviewed and reconciled to meet the new assignments of personnel, and to accommodate the needs during transition and beyond. For purposes of this Study, only the cost of equipping each additional deputy has been included; additional Agency vehicles may be necessary. For reference only, the average annual maintenance cost per vehicle in 2022 is \$1,645.00, and the average annual fuel cost per vehicle in 2022 is \$1,489.00.

**Aggregate impact is approximate*

Step 6: Add New County Positions

Add 14 FTE County Positions: Coordination and Support (Impact: \$1,539,173).

Especially in the early years, the county and the police department will face a learning curve and transition. County employees will interface with an entirely new department, with all of the challenges and technical complexities of first achieving, and then maintaining, current service levels:

- Implementing regional, state, and national crime and incident reporting; organizing radio and computerized communications.
- Assuming responsibility for community interface, engagement, and participation.
- Developing a full set of service contracts and mutual aid agreements.
- Coordinating records management systems.
- Developing and training on new policies and protocols.
- Recruiting and on-boarding hundreds of positions.
- Adopting new branding, websites, and social media.
- Coordinating budgeting and financial oversight.
- Fully equipping and supporting all personnel and services.

The following represents a list of the functions that must be supported, coordinated, and supervised by the Board of Supervisors and the positions estimated to be needed for this continuing effort.

County/Admin (14 new Positions or part-time Positions): \$1,539,173

1 Manager-level Admin
3 Public Engagement- Public Safety Committee Coordinator
3 Legal (2 attorneys and 1 paralegal)
2 HR
2 IT
1 Budget & Finance
1 Procurement
1 Communications
1 Facilities
1 Fleet & General Services

TOTAL Positions: Assuming a plan to follow effective practices in the police department, the number of positions will increase by 95 positions from 809 to 922 (364 sheriff and 558 for police department), and the number of county administrative employees also will increase by 14.

Considerations for Conversion

Sheriff's Office Employees May Not Be Transferred to the County.

One previously unanticipated and significant obstacle for the potential conversion is that sheriff's office employees are not employed by the county but by the constitutionally separate officer. In practical terms, this means that every position to be filled in the new agency will need to be posted with new job classifications and an open application process. The current employees of LCSO cannot simply be transferred. Moreover, the individuals one might expect to apply for the new positions may not apply. Those who one might expect to stay in the sheriff's office (including and especially those in leadership and currently assigned to the Jail) may not stay -- or may prefer to apply for a new position in the police department. However, much of the funding for these positions comes from the county, which can simply be transferred from one annual budget to the other.

Buy-Outs and Severance Packages, May Be Necessary

Employees in the sheriff's office are at-will employees, by law, but buy-outs and severance packages may be necessary for completing a conversion process and should be considered in planning.

Public Safety Expertise, Mobility, Training, and Recruiting Opportunities

Separating the policing functions from the sheriff's office necessarily may result in a significant loss of experience and the ability and agility to transfer individuals (especially sworn officers) in and among the eight divisions. Eliminating the promotional opportunities, leadership development, upward mobility, and cross-training available within one larger agency (compared to two smaller agencies) may impact recruiting and retention efforts. Some sworn officers elect to pursue a professional career in corrections, while other examples include technology, training, and communications; in fact, there are several available professional career paths within a full-service sheriff's office. This upward mobility and the opportunity to move amongst the divisions have created career paths in Loudoun County that have contributed significantly to the agency's success in recruiting and retaining new employees. The county may be placing itself in a position to compete with larger agencies for its employees, and these larger agencies will benefit by comparison in the marketplace.

The sheriff, managing all eight lines of business, can and has moved people through the different divisions to gain expertise and command-level experience. For instance, working in a jail environment leads to experiences in de-escalation, identifying mental illness, familiarity with suicide prevention measures, and a better understanding of working with individuals in crisis: all very valuable experiences when responding to an emergency call. This learning process has been valuable to the current agency and its personnel, but also for the three other police departments in the county because LCSO has become the trainer and feeder operation for the leadership in these other agencies. For example, Leesburg's current police chief is a former LCSO captain. In addition, the sheriff now has the unimpeded ability to make transfers and temporary assignments across all six divisions to fill positions critical to public safety. With the creation of an independent police department, these internal opportunities will be eliminated.

Transition

In the event the County Board decides to place the referendum on the ballot in November 2022, and in the event the referendum passes, it will take approximately three years from that date for the police department to become fully operational, requiring the County to operate a "shadow agency" for many months. Leadership and critical employees will be needed for planning, hiring, policy development, systems design and coordination, and training very early in the transition process – long before the agency begins providing services.

Especially in the area of patrol operations, it takes many months before an officer new hire becomes "value add;" this is even more significant here, where every FTE will be new to the agency, and the entire agency and its services will be new to the residents.

The process of recruiting, posting, application periods, interviewing, vetting and backgrounding, hiring, equipping, training, field training, and supervisory coordination for roughly 500 employees all will take many months, extraordinary efforts, and millions of dollars in employee compensation before the new agency can be ready to operate and take on the responsibility of first responders. Similarly, internal and external communications, computer and radio systems, 911 dispatch, records systems, crime reporting systems, and internal approval processes all must be contracted, delivered, ready, and tested before the new agency can be ready to operate.

The hiring process can begin at the end of Year 1 or Year 2. For purposes of a 10-year outlook, it is anticipated that full employment should be accomplished by the end of Year 2 or at the beginning of Year 3, to allow several months for training, testing, and overlapped services, for

all employees and services (so the cost estimates below include the initial fiscal impact, and the final summary of costs anticipates annual budgeting impact for 8.5 of 10 years).

It is to be expected that not all personnel from the current sheriff's office will apply for a position or become eligible for employment in the new agency, and all those who will apply may not meet new employment standards, psychological testing, or backgrounding.

Participation in National Leadership: Major County Sheriffs of America and Major Cities Chiefs Association

The LCSO currently is the only county in Virginia eligible for membership in the Major County Sheriffs of America, an association with approximately 104 of the largest sheriff's offices from across the country. With a smaller sheriff's agency, Loudoun County will no longer be eligible and will give up its seat in national conversations on public safety, including federal programs, resources, standards, best practices, and technology.

The MCSA and its members regularly convene meetings with the United States Attorney General and Department of Justice, the Director of the FBI, the Secretary of the Department of Homeland Security, other federal law enforcement agencies, and even with the President of the United States. The MCSA educates members of Congress regarding the experiences and challenges of providing law enforcement at the local level, provides large agency training and peer-to-peer engagement, influences programming, and advocates for local law enforcement in the U.S. Congress. Its member sheriffs serve on national task forces (like President Obama's Task Force on 21st Century Policing). The resulting police department also will not be eligible for the Major City Chiefs Association at the time of conversion, although these agencies will continue to have access to the IACP (with 31,000 members) and National Sheriffs Association (with 3,100 members).

5.2 Impact on State Funding and Services

State Funding and Services

(Estimated Impact: \$32 million one-time, and \$15 million annually⁸⁸)

Compensation Fund (Impact: \$8 million for first Four Years)

Because the sheriff's office is a constitutional office in the Commonwealth, the State funds a portion of the sheriff's office activities; for FY 2022, the State provided \$14.3 million (roughly

⁸⁸ Although it is impossible to provide anything other than a range, for budget purposes, \$15 million will be used to estimate the aggregated annual financial impact for the combined annual costs of Litigation, Risk, Liability, Insurance, Self-Insurance and Workers Compensation, especially as the County will want to build a Reserve.

14% percent of the agency’s funding). This \$14.3 million is allocated through two separate funding streams to Loudoun County: adult detention center (\$6 million) and the remainder of operations (but at least \$8 million).

Eligibility for 599 Funds

Accordingly, for FY 2022, the county would not otherwise qualify for this \$8 million for a police department. The State provides aid to localities with police departments through its “599” Program managed by the Virginia Department of Criminal Justice Services (DCJS). Appropriations from the State are set according to formula, schedule, and updates. Legislation will be required before Loudoun County will be in a position to depend upon this source of revenues or to determine the amount, which also will require certifications, based upon training records and compliance: “In recent years, the General Assembly has ...specified in the Appropriations Act that localities’ allocations in a given fiscal year are to be based on a standard, across-the-board percentage increase or decrease from the previous year’s allocations.”

| Counties | FY 2022 599 Allocations |
|-------------------|-------------------------|
| Albemarle Co | \$2,234,053 |
| Arlington Co | \$6,839,878 |
| Chesterfield Co | \$8,295,961 |
| Fairfax Co | \$26,394,873 |
| Henrico Co | \$9,483,984 |
| James City Co | \$1,468,699 |
| Prince George Co | \$974,055 |
| Prince William Co | \$10,219,324 |
| Roanoke Co | \$1,995,219 |
| County Aid | \$67,906,046 |

To be eligible for "599" funds, a locality must have a police department as defined in §9.1-165, and all of the department's law enforcement personnel must meet the state's minimum training requirements. Prior to the start of each fiscal year, the participating jurisdictions must certify to DCJS in writing that they meet those criteria. DCJS uses its training records database to verify that each locality’s officers are in compliance with the minimum training requirements. Each locality must also certify that it will use the “599” funds to supplement, not supplant, local funds provided for public safety services.”⁸⁹

As this aid is prospective, a delay of two to four years should be anticipated, with no guarantee that amounts will fully replace State Compensation Board funding on an annual basis or that any amount can or would be paid retroactively.

Risk, Liability, and Litigation (Estimated Impact: \$10-12 million annually)

The State’s Division of Risk Management currently provides for nearly all of the sheriff’s legal costs and liability risk. First, the State provides for all the costs of legal defense. Second, the

⁸⁹ See <https://www.dcjs.virginia.gov>

State benefits from a statutory limit on liability awards of \$1.5 million per incident. This is an enormously valuable benefit because lawsuits against police, lawsuits for accidents, lawsuits for the alleged violation of rights are extremely expensive to defend and often involve years of active litigation, appeals, and negative media. The statutory limit operates to protect, financially, the agencies providing essential services, isolates the county from this process, discourages lawsuits, and eliminates high stakes litigation altogether. Without this cap, just one award can reach the tens of millions.⁹⁰ Third, the State pays for all of the awards (via settlement or court-ordered awards).

The alternative for the county, in the event of conversion, would be self-insurance and/or insurance policies with annual premiums increasing with the experience and ongoing costs of certain litigation – costs not currently incurred by the county. For prudent management of the financial risk, the county would have to set and retain a reserve fund in the tens of millions for assuming this new level of risk and associated costs, to include all settlements and awards in all amounts.⁹¹

Worker's Compensation Claims and Benefits (Estimated Impact: \$2-5 million annually)

The sheriff's office experiences an average of 20 new worker's compensation claims each year. The State also manages, defends, and pays out the benefits awarded to these claimants. These are costs Loudoun County would need to assume in a conversion.⁹²

Backfill 12 State Troopers (Potential Impact: \$2,555,575⁹³)

The Virginia State Police (VSP) Region 7 allocates the equivalent of 25 troopers to patrolling and answering calls in Loudoun County. This allocation relates directly to the current organizational structure of policing as part of the constitutional office of the sheriff. In many areas, state resources support the constitutional officers. The LCSO computer-aided dispatch (CAD) system

⁹⁰ The Associated Press, "A jury awards \$17 million to the parents of a man killed by an LAPD officer in Costco," Riverside California (as reported on NPR, October 28, 2021). See also, "A look at big settlements in US police killings," AP News, March 12, 2021, (apnews.com accessed Sept. 15, 2021).

⁹¹ For reference, for FY **2015**, the Fairfax County Insurance Fund reported \$47.1 million in accrued liability for the entire County operation, with a \$30 million Litigation Reserve. Clearly, policing-related litigation can result in awards in the tens of millions in even one case. For FY 2015, Fairfax County budgeted \$4.1 million in Self-Insurance losses and \$3.6 million for Commercial Insurance Premiums. Fairfax County also reported that 6.4% of its General Liability Claims proceed to litigation.

⁹² Also for reference, for FY 2015, the Fairfax County Insurance Fund budgeted an additional \$14,445,000 annually for worker's compensation expenditures, for the entire County operation. The County reported an annual experience rate of 13.07 Workers Compensation Claims per 100 FTEs, and 2.1% of Workers Compensation Claims that proceed to litigation.

⁹³ Here, the one-time cost of providing vehicles and equipment represents \$1,054,990 of this aggregated cost.

shows 610 calls for service in 2019 and 398 calls for service in 2020, where the Virginia State Police was the primary unit on the call.

The State Police, operating under the direct authority of the Governor, would have discretion in determining whether or not these resources would be discontinued. If a Loudoun County Police department is created, VSP may elect to mirror the relationship it has with Fairfax County, where VSP focuses on the interstate. In Loudoun, VSP would likely focus on major roadways: Routes 7, 50, 28, 9, and 287.

In reference to the LCSO 2020 Study, Loudoun County specifically requested validation on this issue. The validation analysis was able to confirm only that it is a possibility. Any determination by VSP to adjust or discontinue the services currently provided would be conditional on any number of different factors. Accordingly, 12 deputies have been added here as an optional step and as a potential cost for backfilling the services otherwise provided by VSP in the event that a determination is made to discontinue this resource.

5.3 Impact on Facilities

New Facilities

(Estimated Impact: \$60.8 million Facility Costs plus Interest, Depreciation, and Operating Costs)

Currently, 75% of the sheriff's policing operations are located in the headquarters (crime investigation and traffic, evidence, records). In the event of conversion, one of the agencies will need a new facility. The police department would be located best in a new facility outside of Leesburg or a town that already operates a police department.

Long-term planning and capital investment will be required for locating and building new headquarters. However, Loudoun County's Department of Transportation and Capital Infrastructure has assisted with an overview of the likely costs of a new headquarters by pricing a facility similar in size and function to the current headquarters and based upon the Ashburn Substation cost per square foot:

- Approximately 75,000 sq.ft. building,
- Mirror the interior layout of the Sheriff's Headquarters,
- Omit the cost of land acquisition,
- Include sally port, some up-armoring for security,
- At least one fireproofed area (Evidence Storage),
- Similar furnishings and equipment, and

- Accommodate future growth.

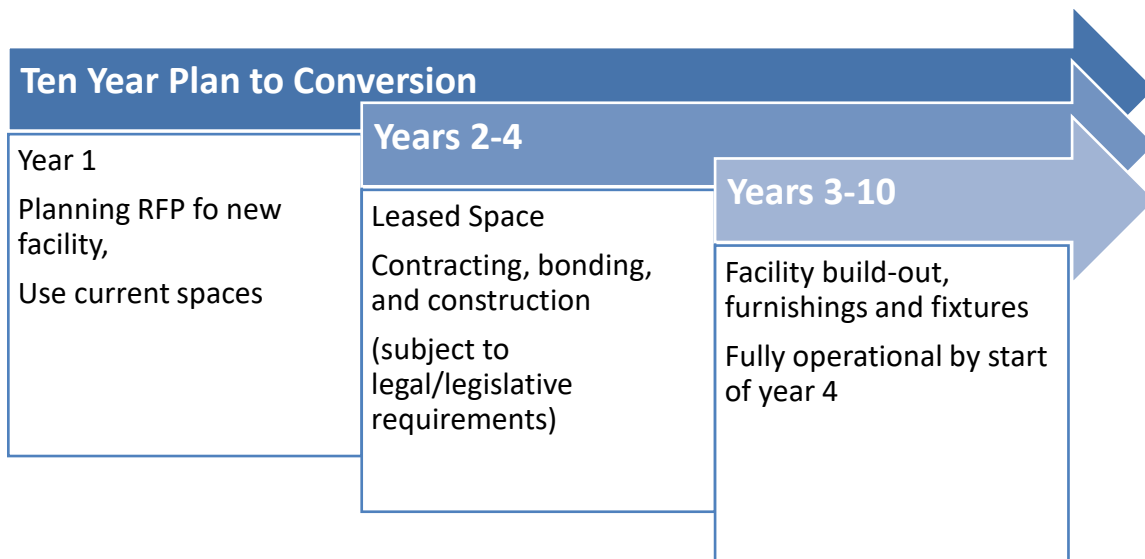
Estimated Facility Cost (Estimated Cost of Construction: \$60.8 million)

In current year funds, it is projected this facility would cost \$60.8 million.⁹⁴

One option is to construct a new sheriff’s headquarters at the jail site; there is property next to the jail just outside the Leesburg town limits that can accommodate these new headquarters if needed. The county would plan to lease a building in the short term, with a plan to include a new facility in the CIP process.

Existing substations could become police substations, and one or more, and/or other sites, may be evaluated for possible use as a future police headquarters.

Figure 13. LCPD/LCSO Headquarters and Space Planning



Carrying, Operating & Maintenance Costs (Estimated Total Impact: \$36,300,000 through year 10)

The following calculations assume that bonding will be complete at the beginning of year 3 when construction is assumed to begin, and furniture and fixtures would be in place in the completed facility in year 4. These annual costs for operating the new facility include:

⁹⁴ A planning contingency range of -10% to +30% should be anticipated, for a range of \$54.7 - \$79 million. Given current supply chain issues and costs of inflation, the 30% top of range is very realistic, but the \$60.8 million will be used for purposes of identifying cost impacts.

- Bonding/Interest on the capital costs, assuming an interest rate of 5% per annum amortized over 20 years, beginning in year 3 (\$21,100,000, cumulative for years 3-10)⁹⁵
- Depreciation of \$59,000,000 over 45 years, beginning in Year 3 (\$10,400,000, cumulative for years 3-10)
- Depreciation of \$1,800,000 in furniture and fixtures over seven years, beginning in year 4 (\$1,800,000, cumulative for years 4-10)
- Operating and maintenance (\$428,500 annually, totaling \$3,000,000 for years 4-10)

5.4 Impact on Training Mandates

Law Enforcement Academy Training

The LCSO is one of seventeen law enforcement agency members of the Northern Virginia Criminal Justice Academy (NVCJA) which is certified by the Virginia Department of Criminal Justice Services (DCJS) to provide basic recruit and in-service training to law enforcement officers in the Commonwealth of Virginia. The NVCJA is nationally accredited by the Commission on Accreditation for Law Enforcement Agencies. The NVCJA is located in Loudoun County and its facilities include modern classrooms, an emergency vehicle operations center, and a firearms range. The NVCJA has a basic recruit class capacity of 120 students per academy session which serves the needs of all member agencies in addition to offering progressive in-service and career development courses approved by DCJS.

The NVCJA was created by local Northern Virginia government officials through the Code of Virginia §15.2-1747 – Creation of academies and is led by an executive director who reports to a Board of Directors comprised of the chief law enforcement officers and local government officials from all seventeen member agencies.

The LCSO utilizes the DCJS certified Skyline Regional Criminal Justice Academy (SRCJA) in Middletown, Virginia to train newly hired jail officer and court security/civil process staff to meet DCJS basic training mandates. The LCSO jail and court staff attend the NVCJA for their required in-service DCJS training mandates and agency specific mandates once they complete the basic courses at the SRCJA.

⁹⁵ The estimated annual debt service, including bonding interest, would \$4,800,000. Because the depreciation period of 45 years exceeds the 20-year amortization period, annual debt service will be more than the sum of interest expense and depreciation expense throughout the 20-year term of the bond.

DCJS Recruit Basic Law Enforcement Officer Training Mandates

The minimum compulsory DCJS training requirements for a new law enforcement officer recruit consists of 480 hours of academy training and a minimum of 100 hours of field training. The core 480-hour DCJS recruit training syllabus is comprised of the following components:

- Professionalism
- Legal Issues
- Communication
- Patrol
- Investigations
- Defensive Tactics/Use of Force
- Driver Training
- Physical Training (Optional)
- Weapons

DCJS In-service Training Mandates for Law Enforcement Officers

Every law enforcement officer, jailor or custodial officer, court security officer, process service officer, and officers of the Department of Corrections must complete forty hours of compulsory DCJS approved in-service training every two years. The LCSO utilizes the NVCJA and their DCJS approved satellite training facilities (see below) to meet the DCJS in-service training mandates.

NVCJA Staffing Obligations

The Board of Directors has established a formula for law enforcement instructor staffing based upon the authorized law enforcement officer staffing for each member agency. Currently, the LCSO is obligated to provide three FTEs to the NVCJA. Through an agreement with the Executive Director, the LCSO provides one FTE sworn deputy and allocates funding in the amount of \$195K for the Executive Director to fill two FTE civilian certified law enforcement instructors to fulfill the staffing obligation. The NVCJA certifies specialized training instructors for all member agencies which includes as an example, the field training instructors (FTIs) who are responsible for DCJS mandated field training objectives of new law enforcement recruits before they can operate on their own after completion of the basic academy. The LCSO has an FTI program staffed by assigned deputies to fulfill the DCJS mandates for new deputy sheriffs.

LCSO Satellite Training Facilities

The LCSO uses several of its facilities to conduct certified DCJS training of its deputies to meet the 40-hour bi-annual training mandates. All satellite training locations are coordinated with the Executive Director of the NVCJA for compliance and approval with the DCJS. The satellite

training locations provide the agency the opportunity to provide agency specific training, supplemental training beyond DCJS requirements, and provide opportunities for cost savings through on-duty training scheduling to reduce back-fill overtime cost impacts.

The LCSO uses the satellite training sites for crisis intervention training, enhancing decision-making skills, and many other modes of training in the spirit of leading-edge training in the law enforcement profession. In August of 2021, the LCSO unveiled its new state-of-the-art training facility which has classrooms, practical skill training areas, a firearms range, and technological training aides. This facility is also shared with other agencies to enhance MWCOG law enforcement training objectives for mutual aid responses.

Estimated Cost Impacts

FY 2022 NVCJA Participation Costs for LCSO

The NVCJA Board of Directors has established a funding formula applicable to all seventeen member agencies to fund its \$3.7 million operations budget. The formula used is as follows:

- Total number of authorized law enforcement officers among all 17-member agencies divided by the annual budget requirement.
- The cost obligation to the NVCJA by the LCSO is depicted as:

| Cost per Deputy | Total at 660 Deputies |
|-----------------|-----------------------|
| \$1,290 | \$851,400 |

NVCJA Debt Obligation Share for Loudoun County

All seventeen NVCJA member agency locality governing bodies agreed to a bond debt obligation for an emergency vehicle operations center which expires in FY 2026. This cost obligation for the Loudoun County Government’s share is depicted as:

| Fiscal Year | Cost |
|-------------|-----------|
| 2022 | \$148,000 |
| 2023 | \$148,000 |
| 2024 | \$148,000 |
| 2025 | \$148,000 |
| 2026 | \$148,000 |

In the event that a county police department is created, the Board should direct the County Administrator to have the transition team coordinate with the County Department of Finance and Budget and other appropriate staff to continue to meet this debt obligation which can continue to serve the Office of the Sheriff and a potential police department.

5.5 The Transition Budget

The cost of transition will include the expense of a contract project manager/team to lead the effort for 24–36 months, which has been estimated at \$300,000 per year. There may be a savings here if the county has an internal manager or team that can be assigned to this effort. Also included are the costs associated with securing and furnishing temporary leased space for police agency operations.

Due to the risks associated with the conversion (i.e., potential inability to identify and hire needed personnel, unexpected contract or equipment challenges and costs, etc.) the transition budget must include overlapped services and/or contingency for as many as six months. The greatest area of risk is in staffing (failure to secure and maintain sufficiently trained and equipped staff to respond timely to public safety incidents).

As a way to measure and estimate this cost, it is assumed that for every period of 30 days, these agencies may operate with a shortfall or vacancy of up to one-third of their sworn deputies, requiring deputy overtime as a backfill. The vacancies would create a budget savings of \$1,706,000, while the cost of filling all of the hours equivalent to the vacancies on overtime (1.5x overtime plus FICA) is estimated at \$1,990,000. Accordingly, the net deficit of \$284,000 for every 30-day period is designated for six months as the contingency/redundancy cost.

Finally, a new headquarters is likely, but in the meantime, leased space is budgeted for a period of three years -- not intending to track the period of transition. Rather, it is assumed Loudoun County or the Sheriff's Office may have space available to dedicate to the transition effort for the first many months of the transition period. Three years is budgeted as the period between an operational set-up, the start, and the continuation of services until a more permanent facility will be available and functional.

Figure 15 provides an overall summary of the transition budget.

Figure 14. Transition Budget

| | |
|--|---------------------|
| TRANSITION BUDGET | \$12,080,500 |
| One-time Costs Project Team (\$300,000/yr for 3 years): | \$900,000 |
| Contingency/Redundancy: (\$284,000/mo. for 6 months): | \$1,704,000 |
| Vacancies, Overtime, Disruption: (Costs of identity, marking, printing, forms, marketing, etc.) \$284,000 x 6 months | |
| Total Leased Space: | \$11,006,500 |
| Leased Space (50,000sq. ft.) costs for 36 Months | |
| ▪ Rent: \$1,300,00 annually (\$26.00/sq. ft.) | \$3,900,000 |
| ▪ Maintenance: \$130,000 (\$2.60/sq. ft.) | \$390,000 |
| ▪ Utilities: \$79,500 (\$1.59/sq. ft.) | \$238,500 |
| ▪ Janitorial: \$76,000 (\$1.52/sq.ft.) | \$228,000 |
| One time build out costs for Leased Space: | \$6,250,000 |

06 Short- and Long-Term Costs of Conversion

The purpose of comparing the FY 2022 Combined Agency Budget to the FY 2022 Converted Agency Budget and the additional financial impact of conversion is to “identify the anticipated costs” of conversion, to compare against the anticipated “return on investment.” This section will project the costs and risks associated with conversion. Over ten years, the estimated fiscal impact is between \$213.8 million and \$307.7 million. The fiscal impact of conversion is \$213,800,060 at a minimum over the first ten years (\$307,696,092 is recommended) when including the costs of the new facility. The county’s annual budget for these services will increase to a minimum of \$133 million (by more than \$24 million and 22% every year) to provide services that currently are being provided by the sheriff’s office for \$109 million. As the police department reaches full operational capacity, this budget is likely to increase further to \$144 million (by more than \$35 million and 32% every year), with the costs of implementing effective practices recommendations. The county will increase by at least 43 to start, and as many as 127 positions (if we include the new county positions).

Figure 15. Summary of Costs

| Cost Categories | |
|---|--------------|
| 1. Transition Budget | \$13,500,000 |
| 2. Required Personnel | \$4,000,000 |
| Equipment | \$650,000 |
| 3. Backfill State Resources | \$12,000,000 |
| Compensation Board Funding (\$8 million a year up to four years) | \$32,000,000 |
| 4. Policing Initiates/Effective Practices | \$9,200,000 |
| Equipment | \$6,000,000 |
| 5. New Headquarters | \$36,000,000 |
| 6. Efficiencies | Unknown |
| Potential State Patrol Backfill (12 Positions) | Unknown |

This study and evaluation have been prepared to support “evidence-based decision-making” regarding the question of conversion.⁹⁶ Important considerations include:

- Review the evidence base of public programs in order to take actions to improve outcomes, reduce costs, and increase accountability.

⁹⁶ See, The Pew Charitable Trust and MacArthur Foundation “Key Elements of Evidence-Based Policymaking,” pewtrusts.org/results first (Jan.1, 2019; accessed Nov. 18, 2021)

- Use evidence of program effectiveness to make more informed investment decisions.
- Support effective implementation to ensure that the benefits of evidence-based programs are achieved.
- Track and report data to determine whether programs or priorities are achieving results.⁹⁷

Previous sections of this report have reviewed the performance measures, outcomes, and data regarding the benefits and results achieved by the Loudoun County Sheriff's Office, with the following observations:

1. The Sheriff's Office currently delivers county-wide policing services and resources.
2. The Loudoun County Sheriff's Office provides community policing and the delivery of personalized and professional public safety services in partnership with the residents of the county.
3. The Loudoun County Sheriff's Office has demonstrated excellence in performance-based law enforcement key indicators:
 - The lowest violent crime rates in the COG region.
 - Short call response times
 - Infrequent "Use of Force" incident
 - Very High rates of resident satisfaction
 - Positive agency morale
 - Very few internal affairs complaints, investigations, and discipline
 - Scoring 100% for all 190 Standards of Accreditation

In this cost-benefit analysis, these benefits and outcomes are to be weighed against increased costs, potential benefits, and the risks associated with the implementation of converted sheriff's office and police department.

These are very different circumstances from Prince William County's conversion in 1968 – where the *Study of Operations* concluded that a county-wide police department was needed to 1) respond to a growing number of calls that the sheriff's office could not handle, 2) a significant increase in serious crime that the sheriff's office could not manage, and 3) measurable and projected population growth requiring the numbers of officers that the sheriff's office could not hire and train.

⁹⁷ Id. (Emphasis added)

FISCAL IMPACT STATEMENTS:

- The Fiscal Impact of Conversion is \$213,800,060 at a minimum over the first ten years (\$307,696,092 is recommended) when including the costs of the new facility.
- The county's annual budget for these services will increase to a minimum of \$133 million (by more than \$24 million and 22% every year) to provide services that currently are being provided by the sheriff's office for \$109 million.
- As the police department reaches full operational capacity, this budget is likely to increase further to \$134 million (by up to more than \$25.2 million and 32% every year), with the costs of implementing best practices recommendations.
- The county will increase by at least 43 to start, and as many as 127 positions (if the new county positions are included).

Maintaining the *current* structure of the sheriff's office maintains a clear competitive and economic advantage when considering the annual cost of delivering policing services. However, other costs, impacts, risks, as well as potential advantages for conversion also must be considered.

Potential Risks Associated with Conversion:

Operational Risks

- Response Failure
- Disruption of Service
- Gaps in Mutual Aid Support
- Technology/Communications Failures
- Lapse in Records and Reporting
- Training/Policy Failure

Management Risks

- Time Delays
- Unanticipated Costs
- The "Accordion Affect" of Unknowns
- Personnel- Hiring Challenges
- Disparity of Pay Rates and/or Lack of Qualified Candidates
- Lack of State Support for Changes

Reputational Risks

- Loss of Accreditation
- Negative shifts in Agency Morale
- Negative Shifts in Resident Satisfaction
- Resident Confusion
- Litigation Controversy and Backlash

Public Safety Impacts

- Increase in Crime
- Justice System Impacts

07 Policy Considerations

7.1 Who Will Make Policing Decisions?

One of the key differences between a sheriff's office and a police agency is the reporting structure. A sheriff is an independent elected officeholder selected by the voters of the county. A police chief is appointed and operates under the direction and supervision of a majority of the Board of Supervisors. The residents of Loudoun County will need to decide if they want a sheriff and/or a chief.

The Loudoun County Board of Supervisors wields the power of the purse. This elected Board of nine officials raises the revenues that provide nearly all the funding for the LCSO's annual budget, approves hiring and employment levels, sets the rates of pay, salary, and benefits, and controls the LCSO's procurement, purchasing, and facilities planning.

The sheriff must collaborate with the Board in order to set in motion the county's policing strategies if they involve additional employees, new equipment, technology purchases, new or renovated facilities contracts, grant funds, the use of asset forfeiture funds, the adoption of joint powers and mutual aid agreements. New technology advancements and service enhancements in the LCSO most often are influenced on a regional law enforcement basis through the COG.

The following is a comparison of the models being considered in Loudoun County:

Sheriff Together with Undersheriff:

A Virginia sheriff with primary law enforcement authority has the power to make independent decisions regarding policing strategies, crime-fighting initiatives, resident participation, staffing assignments, budget allocations, community messaging, cross-training, prioritized policing, responses, detail assignments, service levels, the use of equipment and technology, and mutual aid agreements. Residents, LCSO employees, other law enforcement agencies and leaders, county officials and agencies, town and school representatives, and community organizations all have influence in these decisions. Every four years, the county voters retain the ultimate authority to provide an electoral mandate for a sheriff's initiatives and performance or the ability to terminate their service.

This is the decision-making authority of the LCSO as it is currently configured and operating. The sheriff is the elected official. The undersheriff is appointed by the sheriff and operates essentially as the police chief for the county, responsible for the day-to-day operations of the agency and following directions from the sheriff. For a candidate to be eligible in a sheriff

election, they need only be a resident of the county; to serve as sheriff, that candidate must be qualified as a sworn peace officer. The sheriff is accountable to the residents through an election held every four years⁹⁸ but also is subject to removal procedures in the event of misconduct. While a sheriff must run for election, the office and its operations should always be non-political.

Board Of Supervisors Together with Police Chief:

In Loudoun County, given its form of government, a police chief would function as a county department head, who submits recommendations and proposed budgets to an assigned county administrator under the purview of the Board of Supervisors.

The qualifications for a chief likely would be set by the County Administrator as approved by the Board. For a jurisdiction like Loudoun County, qualifications likely would require an advanced degree and substantial law enforcement experience at the command level. The position of chief of police can be established as an at will position and the terms and conditions of employment can be stated in a county position description and an employment agreement.

Figure 17 tracks the area of decision-making and authority for both the police department and the sheriff’s office in the event conversion is adopted and then implemented. The chart substantiates the proposition that the Board collectively would directly supervise the day-to-day operations of a new county police department when compared directly to sheriff authority.

Figure 16. Decision-making Authority: Police Department and Sheriff's Office

| Area of Responsibility | Police Department | Sheriff's Office |
|--|-------------------|------------------|
| Agency head appoint and reporting authority | Supervisors | Voters |
| Tenure | Supervisors | Voters |
| Department head job duties and qualifications for hire | Supervisors | Code of Virginia |
| Authority for governance of Administration and Operations <ul style="list-style-type: none"> ▪ Budget ▪ Human resources ▪ Personnel Management ▪ Pay and benefits ▪ Strategic Planning ▪ Inclusion and equity ▪ Vision and mission ▪ Technology applications | Supervisors | Sheriff |

⁹⁸ To include political independence and fundraising activities -- expected facets of any campaign for elected office.

| Area of Responsibility | Police Department | Sheriff’s Office |
|---|----------------------------------|------------------------------|
| <ul style="list-style-type: none"> ▪ Memorandums of understanding ▪ Grant applications (i.e., 599, Federal, etc.) ▪ Engagement – Co-production model of the delivery of essential law enforcement services with the county and community stakeholders. | | |
| Accountability Directives <ul style="list-style-type: none"> ▪ State and National accreditations ▪ Civilian Review Panel ▪ Independent Auditor ▪ Data transparency practices | Supervisors | Sheriff |
| Employee hiring standards, career development, performance management, wellness, and conditions of work | Supervisors via CA/DCA | Sheriff |
| Law enforcement reforms – Directions and legal mandates | Supervisors via Code of Virginia | Sheriff via Code of Virginia |

7.2 Potential Benefits of Conversion

A New Public Forum for Policing, With Increased Public Engagement.

With a new police department operating under the direction and supervision of the Board, the Board would have the ability to place items for consideration and adoption on the Board’s agenda. This could include policy goals and directives, as well as strategic initiatives and regular police department business like staffing levels, contracts, and memoranda of understanding. The agenda is published in advance to the residents; meetings are public and recorded to be available on the website; residents are invited to comment during open comment periods. Supervisors would be more likely to hear from residents directly concerning issues, concerns, or suggestions regarding the delivery of policing services – rather than as reported to them by the sheriff.

The Board could make any or all of the following policing decisions:

- The Board could develop an open hiring process for the selection of a chief.
- The Board would likely develop a proposal for a Citizen Review Board, although none is required; its specific powers would be open for discussion and would require majority support to enact.
- A public safety committee might be designated for a regular meeting time to address policing issues, facilitating coordination and data sharing among the county’s public safety stakeholders.

- The Board could determine what data regarding policing activities would be reported and made public (beyond mandates), and how frequently it is updated.
- The Board could prioritize succession planning and invest in additional training and educational opportunities.

Employee Protections and the Potential for Collective Bargaining

The Commonwealth of Virginia has recently authorized counties to allow collective bargaining among its employees. In the event of conversion, this would extend to police department officers and other employees. Loudoun County employees may organize and are engaged in the process currently. The county anticipates a process that will take several more months to fully incorporate collective bargaining into its annual budget.

Collective bargaining and other employee protections are not available to deputies within the sheriff's office, given their at-will status, and the sheriff retains the authority to terminate deputies at the end of each electoral term.

Additional Focus on Diversity Hiring in the County's Delivery of Policing Services

Employees in the sheriff's office are not as diverse as the county workforce and not as diverse as the county's overall employment-population when comparing only the white populations. Still, the overall diversity of the agency is similar to the rate of diversity (approximately 23%) when compared to overall county employment (approximately 24%). The 21st Century initiatives and efforts at diverse recruiting and hiring in the sheriff's office are to be commended. Nonetheless, the residents and the agency both would benefit from more diversity and new approaches and strategies to accomplish this goal.

Making decisions about police chief hiring, hiring goals, promotional and employment policies in general, Loudoun County's Supervisors may set an agenda for diversity hiring and inclusion.

7.3 Conversion Does Not Equate to "Reform"

In the context of "criminal justice reform" and policy considerations, there will always be ways to improve. To make this change would not be a "reform," but rather a policy decision focusing on the balance of decision-making power between the Board and the sheriff.

In October 2020, Governor Northam signed more than a dozen police reform measures into law in Virginia. All of the following measures apply to all law enforcement officers in the state, whether they are employed by a sheriff's office or in a police department:

- Banning "no knock" warrants,

- Reducing “militarization” and “weaponized” equipment,
- Minimum training standards on awareness of racism, the potential for biased, profiling, and de-escalation techniques,
- Requiring all agencies to inquire as to prior employment and disciplinary history with new hires,
- Expands and diversifies the Criminal Justice Services Board to secure the perspectives of social justice leaders, people of color, and mental health providers are represented in the state’s criminal justice policymaking,
- Improved decertification and initiation of decertification process for law enforcement officers,
- Limited use of “neck restraints,”
- Requiring all law enforcement officers to intervene if they witness another officer engaging or attempting to engage in excessive force,
- Making it a Class 6 Felony for a law enforcement officer “to carnally know” someone they have arrested or detained,
- Mandating minimum crisis intervention training standards requires CIT training.

The Governor also signed into law the measure to empower localities to create Civilian Review Boards, permitting such Boards to issue subpoenas and make binding disciplinary decisions.⁹⁹ As mentioned above, the authority to create a Civilian Review Board is permissive, not mandatory.

⁹⁹ See Summary of 2020 Special Session I, HB 5055: Law-enforcement civilian oversight bodies. Authorizes a locality to establish a law-enforcement civilian oversight body that may (i) receive, investigate, and issue findings on complaints from civilians regarding conduct of law-enforcement officers and civilian employees; (ii) investigate and issue findings on incidents, including the use of force by a law-enforcement officer, death or serious injury to any person held in custody, serious abuse of authority or misconduct, allegedly discriminatory stops, and other incidents regarding the conduct of law-enforcement officers or civilian employees; (iii) make binding disciplinary determinations in cases that involve serious breaches of departmental and professional standards; (iv) investigate policies, practices, and procedures of law-enforcement agencies and make recommendations regarding changes to such policies, practices, and procedures; (v) review all investigations conducted internally by law-enforcement agencies and issue findings regarding the accuracy, completeness, and impartiality of such investigations and the sufficiency of any discipline resulting from such investigations; (vi) request reports of the annual expenditures of law-enforcement agencies and make budgetary recommendations; (vii) make public reports on the activities of the law-enforcement civilian oversight body; and (viii) undertake any other duties as reasonably necessary for the law-enforcement civilian oversight body to effectuate its lawful purpose to effectively oversee the law-enforcement agencies as authorized by the locality. Such oversight bodies are not authorized to oversee sheriffs departments. The bill provides that a law-enforcement officer who is subject to a binding disciplinary determination may file a grievance requesting a final hearing pursuant to the locality's local grievance procedures. The bill also provides that a retired law-enforcement officer may serve on such law-enforcement civilian oversight body as an advisory, nonvoting ex officio member. (Emphasis added) [lis.virginia.gov](https://www.lis.virginia.gov). (accessed Nov. 18, 2021)

7.4 Opportunity Costs

A cost-benefit analysis is not complete without consideration of the opportunity costs: What is the trade-off? Are there other valuable ways to invest the same funds that may have a greater return? As examples, consider:

- The construction and operation of a mental health assessment and treatment facility to include hiring clinical staff to provide services for residents that currently are unavailable or inaccessible.
- Funding for the sheriff’s office fifth substation and staffing to be added in 2028-9
- Not committing to this long-term increase in the annual budget, expansion of government facilities, and the added cost of borrowing -- in favor of the potential need or opportunity for future investment.

Figure 17. Cost-Benefit-Risk Summary

| Benefits of Conversion | Costs of Conversion | Risks of Conversion |
|--|--|--|
| A new public forum for policing Increased public engagement Employee protections | Annual budget increase <ul style="list-style-type: none"> ▪ \$24 million minimum to start (22%) ▪ \$35 million recommended (32%) | Disruption to Service Increase in Crime Resident Confusion Gaps in Services |

| | | |
|---|---|--|
| <p>Board focus on public safety goals and issues</p> <p>Board of Supervisors policymaking</p> | <p>One-time costs</p> <ul style="list-style-type: none">▪ \$45 million minimum to start▪ \$51 million recommended <p>Costs over 10 years:</p> <ul style="list-style-type: none">▪ \$213,800,060 minimum▪ \$307,896,092 recommended <p>New Positions:</p> <ul style="list-style-type: none">▪ 43 minimum to start▪ 127 recommended <p>Lost access to national influence</p> | <p>Decline in Resident & Employee Satisfaction</p> |
|---|---|--|

08 Effective Practice Recommendations

As part of this study, an evaluation of the current delivery of policing services was conducted to identify potential re-alignments, best practices, and operational objectives for a county police department.

8.1 Overall Department – Realignment and Planning

1. Lines of Business Review: Conduct a “Lines of Business Review,” strategically leveraged to become a regular review function within the Department’s Strategic Plan. Organizational realignment is recommended, with the following goals:
 - “right-sizing” bureau and division functions,
 - enhancing communication (both internal and external), and
 - improving coordination to create higher levels of performance in accomplishing the department mission and vision elements.
2. Build an organizational structure to perform robust data practices and increase accountability through data transparency to the community.
3. Establish formal standing business practices, internal and external, in support of co-production of law enforcement services. The co-production model would enhance both employee and community stakeholder input in the development of LOBs that are critical to public trust. If the LCPD is to be created, the co-production model should become part of the agency responsibilities assigned to the Office of the Chief of Police through the implementation team.

Supporting Analysis

During the review of the current organizational structure and flow of the lines of business (LOBs) for LCSO, several opportunities were identified to re-align staff and functional lines of business to maximize efficiencies.¹⁰⁰ The purpose of a business realignment is to achieve high-performance workflow coordination to better serve internal and external customers, create cost savings, build organizational knowledge through affixed leader assignments. Ideally, the

¹⁰⁰ Methodology for this brief review included: 1) Assess lines of business for 2012 and 2021; 2) Sample best practices for organizational change management, and 3) Develop recommendations for fundamental principles to assist Loudoun County government leaders and 4) identify opportunities and unique efficiencies in the Loudoun County government business environment for successful improvements for both the Office of the Sheriff and the potential creation of a police department.

“Line of Business Review” will be strategically leveraged to become a regular function within the development of the agency’s four-year strategic plan.¹⁰¹

Organizational re-alignment is recommended for LCSO with the following goals:

- “right-sizing” bureau and division functions,
- enhancing communication (both internal and external), and
- improving coordination to create higher levels of performance in accomplishing the agency mission and vision elements.

Workforce planning, job class restructuring, and positions assessments are all optional or “next level” components of a line of business review and re-alignment. Figure 19 depicts the Line of Business Review Cycle.

Figure 18. Lines of Business Review Cycle



¹⁰¹ Recommendations for Methodology and Best Practices References may be found in the Appendix.

Lines of Business Review is a Continuous Change Management Strategy

The LOBs cycle should be viewed as a continuous change management strategy designed to leverage business process changes linked to the needs of the delivery of essential law enforcement services to the community and the corresponding business needs of the agency. The LOBs process will flourish as a management tool and should become part of annual strategic plan reviews, budget justifications, and have a full organizational review in three-year cycles (at a minimum).

The analysis of the current organizational and operational delivery of essential law enforcement services in Loudoun County was conducted using the lens of the six pillars for 21st century policing. The pillars and their sub-components link to core LOBs and provide the performance drivers, which are established best practices measured by metric accountability systems. Law enforcement organizations must continuously analyze corresponding LOB metric data to ensure all essential services are continually meeting the specific needs of their communities and stakeholders. There is great potential for achieving higher performance levels across the following core LOBs:

- Internal and external communications
- Command and control of business functions
- Fiscal stewardship
- Transparency
- Community engagement
- Using the co-production of policing model to continuously create operational and administrative changes for the wellness of employees and community members
- Internal and external accountability to build trust
- Keeping pace with current and future urbanization and corresponding population growth

The recommended organizational changes focus on a realignment of basic units to increase control, accountability, flexibility, and communication while decreasing duplication of effort. The basic changes advised are as follows:

1. Combine field units into an operations bureau and add a planning capability for increased efficiency in the use of field units,
2. Realign investigative units and experiment in the use of detectives, and
3. Consolidate citizen participation services to give emphasis and efficiency to such services.

LOBs considerations for re-engineering/re-envisioning essential law enforcement services in Loudoun County are shown in table 17.¹⁰²

Table 17. Lines of Business Review: Issues and Considerations

| LOB | Issue | Consideration |
|--------------------|---|---|
| Senior Leadership | Line and functions diversified across bureaus and divisions | Realign |
| Patrol | 4 stations captain at each, but patrol deputies directly report to a major – not the station captain. Performance evaluations under the command of the major, not the captain. | Conduct Patrol Area Redesign Study to align with workloads (calls for service, crime, outreach, etc.), future urbanization as described in the Planning Commission’s report <i>Envision Loudoun & General Plan Overview</i> , ¹⁰³ magisterial districts and enhancements to the co-production and accountability of policing with the Board and communities served. |
| Special Operations | Not realizing the full potential of alignment in the current leadership structure of the LCSO; needs higher level of oversight to reduce existing decentralized risks. Should be focus of LCPD implementation team. | The following reports provide good examples. <ul style="list-style-type: none"> ▪ Independent Review of the 2017 Protest Events in Charlottesville, Virginia¹⁰⁴ ▪ Louisville/Jefferson County Metro Government and Louisville Metro Police Department¹⁰⁵ ▪ Independent Board of Inquiry Into the Oakland Police Department¹⁰⁶ |

¹⁰² Best Practice References for Studies :

<https://www.stpaul.gov/sites/default/files/Media%20Root/Organizational%20Study%20of%20the%20Saint%20Paul%20Police%20Department%20Final%20Report%2012-08-2019.pdf>

Proposed for meeting the demands/reforms of 21st century policing:

<https://mpdc.dc.gov/release/metropolitan-police-department-announces-organizational-re-alignment-and-promotions>

<https://www.ojp.gov/ncjrs/virtual-library/abstracts/seattle-police-department-reorganization-project-1979-1980-volume-1>

¹⁰³ https://www.loudoun.gov/DocumentCenter/View/143412/Presentation-20180712_1

¹⁰⁴ Police Foundation, <https://www.policefoundation.org/publication/independent-review-of-the-2017-protest-events-in-charlottesville-virginia/>

¹⁰⁵ U.S. Department of Justice, <https://www.justice.gov/opa/pr/department-justice-announces-investigation-louisvillejefferson-county-metro-government-and>

¹⁰⁶ CNA, Institute for Public Research, <http://www2.oaklandnet.com/oakca1/groups/police/documents/webcontent/dowd005731.pdf>

| LOB | Issue | Consideration |
|---|--|--|
| Media | Centralize all functions for coordination and direct oversight of all senior management leaders | IACP Media Relations Concepts and Issues Paper ¹⁰⁷ |
| Administrative | | Best Practice |
| Internal Affairs | | Best Practice |
| Employee Wellness | | Best Practice |
| Cyber Crime | | Best Practice |
| Major Crimes | | Best Practice |
| Organized Crimes | | Best Practice |
| Planning and Research | | Best Practice |
| Five-Year Strategic Staffing Plan & LOBs Review | LCSO should implement these practices annually. The transition team and chief of police should ensure these practices are in policies. | Based on workload assessments, future urbanization, and vision direction of service delivery by the Board and community. |

Leadership, Management, Co-production of Law Enforcement (“Policing”) Services in the Community, and Governance of Law Enforcement Agencies: Trends, Conditions, and Reforms Recommendation/Consideration:

The LCSO has opportunities to achieve higher levels of data practices internally and increase accountability through data transparency to the community. Should an LCPD be established, the implementation team should build an organizational structure capacity to perform robust data practices that increase legitimacy through accountability practices with all stakeholders.

The LCSO should establish a formal standing business practice of internal and external co-production of law enforcement services committee affixed to the office of the colonel. The co-production model would enhance both employee and community stakeholder input in the development of LOBs that are critical to public trust. If the LCPD is to be created, the co-production model should become part of the agency responsibilities assigned to the office of the chief of police through the implementation team.

¹⁰⁷ <https://www.theiacp.org/sites/default/files/2019-08/Media%20Paper%20-%202019%202.pdf>

A sample realignment of the LCSO has been developed based on interviews, analysis, comparisons, and data review serving as the basis for this new model.¹⁰⁸ The resulting organizational charts, overview of the change management cycle, mandated management responsibilities, and several agency organizational charts from Virginia sheriffs and police agencies are included in full in the appendix.

8.2 Intelligence-Led Policing

1. Adopt a practice of proactive Intelligence-Led Policing, using data to seek out problems and employ strategies to reduce crime and address quality of life issues.
2. Create a Crime Analysis Coordinator position tasked with conducting strategic analysis and preparing reports for the Board of Supervisors. Additionally, this position can coordinate software programs, training, and policies and procedures for all analysts. This position should not have supervisory responsibility for the other analysts.

Supporting Analysis

Intelligence-led policing (ILP) is the process of gathering and analyzing data and turning it into actionable intelligence and strategies. The key to this is information sharing. The IACP learned that while LCSO does not hold any type of formalized crime meetings such as CompStat, they discuss crime trends or response strategies at daily command meetings and weekly investigator and operations command meetings. Beyond the sharing of crime intelligence and information within the law enforcement community, ILP calls for the sharing of crime information with the public as a means of crime prevention, something that LCSO prides itself on.

The agency has dedicated crime analysts throughout the agency. Each station has an assigned analyst as well as two assigned to major crimes and one assigned to narcotics. The analysts are decentralized and work for their respective unit commanders. These analysts perform significant functions for their assigned units and that they do share information within their units and beyond. To a degree, each analyst operates independently, and there is no set process or program for the collection, analysis, and dissemination of crime data and intelligence. While LCSO does a good job on tactical crime intelligence, improvements can be made in developing the actionable strategies that modern agencies use for management (such

¹⁰⁸ Opportunities for realignment also provide a strategic foundation for an implementation team to create a county police department if the Board directs formation of a county police department.

as deployment or staffing decisions), crime reduction and prevention strategies and to address quality of life issues.

An effective and comprehensive crime analysis program needs to have several major focuses/components:

Crime Intelligence Analysis

Crime intelligence analysis is the analysis of data about people involved in crimes, particularly repeat offenders, repeat victims, and criminal organizations and networks. Processes and techniques of crime intelligence analysis include:

- Repeat offender and victim analysis
- Criminal history analysis
- Link analysis
- Commodity flow analysis
- Communication analysis
- Social media analysis

Tactical Crime Analysis

Tactical crime analysis is the analysis of police data directed towards the short-term development of patrol and investigative priorities and deployment of resources. Processes and techniques of tactical crime analysis include:

- Repeat incident analysis
- Crime pattern analysis
- Linking known offenders to past crimes

Strategic Crime Analysis

Strategic crime analysis is the analysis of data directed towards development and evaluation of long-term strategies, policies, and prevention techniques. Its subjects include long-term statistical trends, hot spots, and problems. Processes and techniques of strategic crime analysis include:

- Trend analysis
- Hot spot analysis
- Problem analysis

It is important that the agency utilizes its available technology appropriately and uses data and intelligence in decisions and deployment strategies. LCSO uses a Motorola product for CAD and

RMS. The analysts interviewed described the CAD/RMS system as not user-friendly. However, LCSO staff has been able to develop and obtain a number of canned reports that provide much of the routine data needed. The Motorola CAD/RMS also provides to programs City Protect for public crime information and Command Central for internal use in evaluating some strategic analysis needs. The analysts routinely share data and intelligence, and all state that training and equipment are top-notch.

While LCSO does not have a formal CompStat type program, data is frequently prepared and reviewed at command level staff meetings and in preparation of reports for the Board of Supervisors. For these reports, one of the major crimes analysts prepares the data reports and then forwards them to station analysts for their review and concurrence with the station commanders. The reviewed report is then sent to agency command staff for final review and then onto the Board. Many agencies use the reverse of this process. Individual station analysts prepare reports for their units and then forward them to headquarters command for review and dissemination. The Loudoun process works but does pull one of the major crimes' analysts from their normal functions and has crime data and intelligence being driven from top-down instead of bottom-up.

As patrol staffing numbers are augmented to provide more proactive time, the agency will need to enhance a culture of data-driven decisions/ intelligence-led policing at all levels. To achieve this may require a sea change in the agency's operational culture. Instead of waiting for information/intelligence reports to be supplied by the crime analyst, an intelligence-led deputy seeks out the information they need to carry out their duties. Properly developed intelligence and data can be used to provide directed activities during available proactive time. While the sheriff, undersheriff, and commanders often use data to make operational decisions, intelligence-led policing calls for deputies at all levels to use data to make decisions, solve community problems and solve crimes. Analysts report that many younger deputies understand the value of criminal intelligence but for success it needs to both an operational policy and practice.

As mentioned earlier, the LCSO crime analysts are decentralized, working for individual unit commanders and routinely sharing information and intelligence. This is a very effective structure and should not be changed. However, this structure does create potential shortcomings in criminal intelligence products lack of standardization. More importantly, it does not have anyone analyst dedicated to agency-wide strategic analysis. The current system requires one of the major crimes analysts to conduct some basic strategic analysis and reporting taking away from their time available for criminal and tactical analysis.

To address this shortcoming, it is recommended that the LCSO create a Crime Analysis Coordinator position in the Office of the Sheriff. This person should be tasked with conducting strategic analysis and preparation of reports for the Board of Supervisors. Additionally, this position can coordinate software programs, training and policies, and procedures for all analysts. This position should not have supervisory responsibility for the other analysts.

8.3 Patrol Operations

1. Temporal Deployment: Formalize a deployment scheme and create the A/B/C team deployment (day, evening, night) as the official patrol deployment scheme. Conduct a temporal analysis of annual workload to identify the most efficient and effective hours for patrol shifts.
2. Geographic Deployment: Assign officers to work under the station commanders in support of unity of command, and to provide the station commander with the full range of resources needed to keep their communities safe. Several realignment plans have been outlined.
3. Use station lieutenant(s) to oversee several beats within each district, the size of which would be dependent on staffing availability of lieutenants. Under the proposed staffing outlined in the geographic deployment section there can be additional lieutenant positions at each station.
4. Geographic Accountability: Establish Geographic Accountability as a core element within the department. The department should fully stress beat integrity. Officers and supervisors should focus on beat discipline to increase the culture of accountability within the area for which they are responsible.

Supporting Analysis

To meet the demands for service and provide rapid response to complaints, LCSO divides its service area into four geographic station areas, and those areas are further divided into patrol sectors (beats).

Table 18. LCSO Stations and Beats

| Station Area | Assigned Sectors | Other Jurisdiction |
|-----------------|---|----------------------|
| Eastern Loudoun | 210, 220, 230, 240, 250, 260, 270, 280, 290 | Dulles Airport (IAD) |
| Ashburn | 310, 320, 330, 340, 350, 360, 370 | Leesburg (900) |
| Dulles South | 410, 420, 430, 440, 450, 460, 470 | Middleburg (800) |
| Western Loudoun | 510, 520, 530, 540, 550 | Purcellville (700) |

While there are a total of 28 sectors, not all sectors are always staffed with a patrol deputy.

By official agency policy,¹⁰⁹ the LCSO patrol force is comprised of two permanent patrol squads that are broken down into six patrol shifts. Each squad is scheduled to work eighty-four hours (84) per two-week pay period. Each shift is twelve hours in duration, giving deputies a schedule with fixed days off, including every other weekend off. There are three lieutenants assigned to each squad (A/B), with one assigned to workdays and two assigned to work nights. There are 10 sergeants assigned to A squad and 9 Sergeants assigned to B squad. It appears that LCSO goal is to have the lieutenants serve as watch commanders temporal responsibility) and the sergeants with geographic responsibility as they and their assigned deputies are assigned under specific geographic stations. Several sergeants are assigned as floaters.

Table 19. Squad Assignments

| Squad Designation | Lieutenants | Sergeants | Deputies |
|-------------------|-------------|-----------|----------|
| A Squad Days | 1 | 5 | 29 |
| A Squad Nights | 2 | 5 | 33 |
| B Squad Days | 1 | 4 | 30 |
| B Squad Nights | 2 | 5 | 25 |

Source: LCSO Supplied Data Field Operations Command 6/30/2021

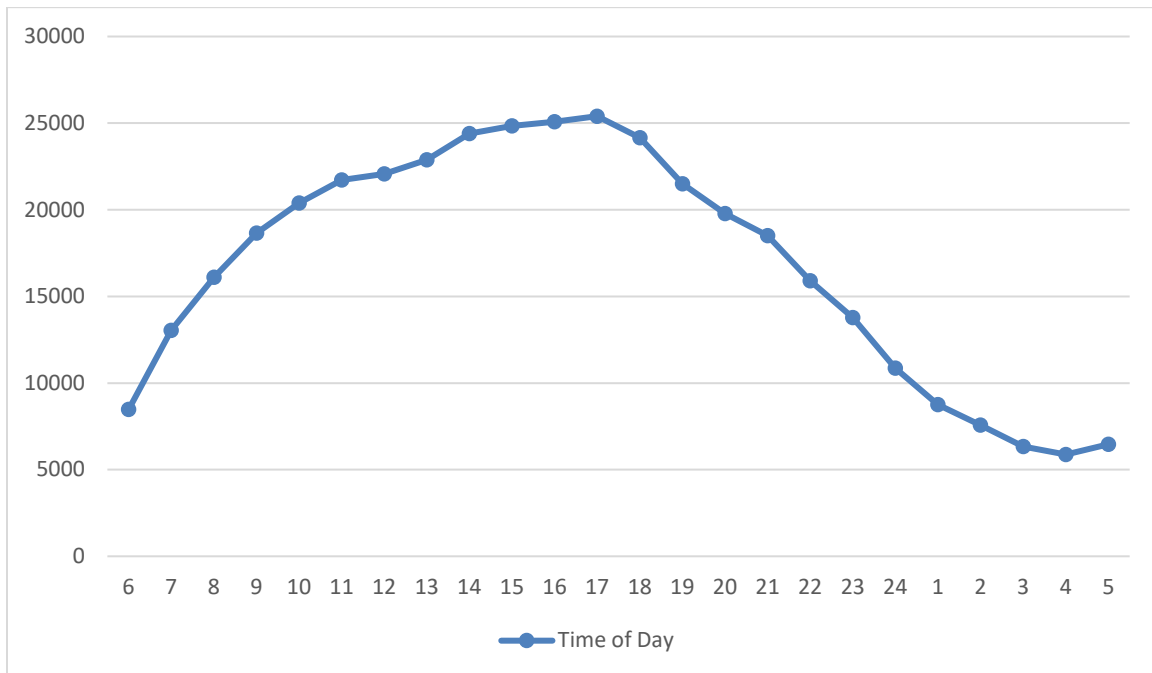
While the organizational chart provided by LCSO shows geographic assignments, it is not a true geographic deployment since these resources (lieutenants, sergeants, and deputies) do not directly report to the station commanders; they report to the captain in field administration. This will be further discussed in another section.

¹⁰⁹ LCSO General Order 401.1, Patrol Operations: *“Deputies will be assigned to sectors at the beginning of each daily tour of duty and will make that particular sector the primary focus of their patrol activity. Sector assignments will be made by the shift supervisor using a formula that he/she feels best meets individual and departmental needs. The criteria for selecting these are based on the number of calls for service, number of incidents or reported offenses, businesses in the area and other specific problems that arise which may require additional or a reduced manpower.”*

Field Operations: Patrol Deputy Temporal Deployment

The patrol force is charged with providing coverage on a 24-hour 7 day a week basis. As with most jurisdictions, Loudoun County experiences peaks and valleys in their calls for service volumes. The below figure 20 shows the distribution of calls for service over a 24-hour period.

Figure 19. Time Distribution of Calls for Services



Source: LCSO CAD Data

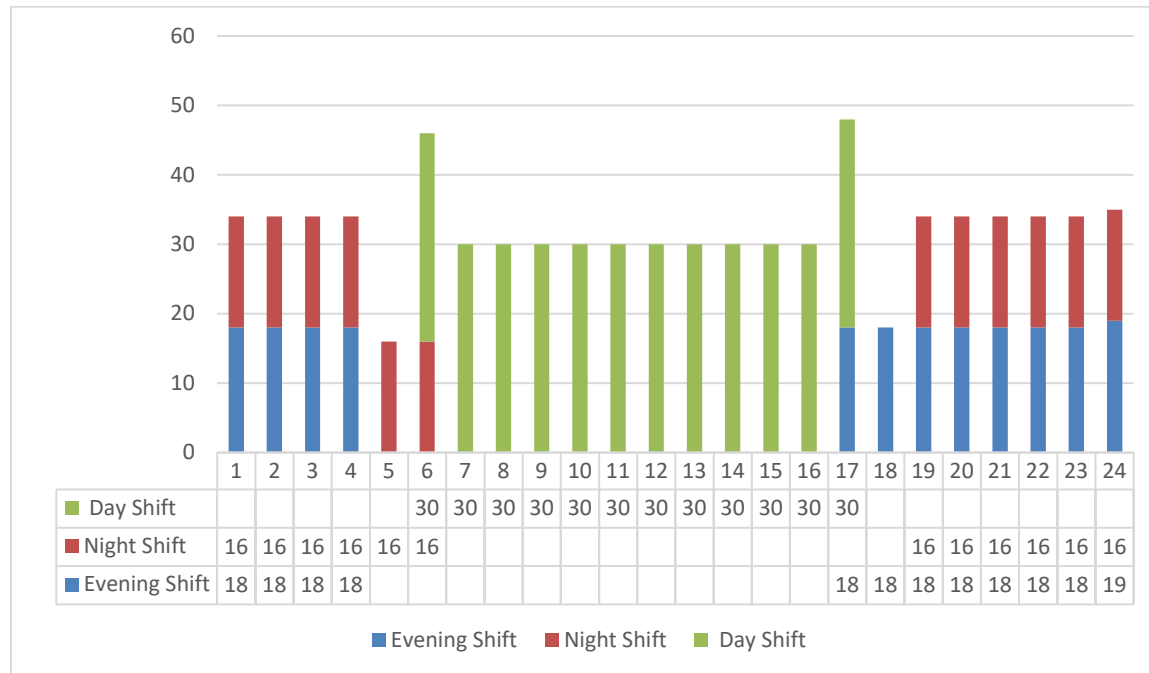
To address these peaks and valleys in workload, LCSO splits night shift reporting times in two. This staggered work period provides an overlap period that provides for continuous patrol coverage and maximum coverage at the times of greatest demand for service. This staggered deployment is a proper deployment scheme and creates a third patrol squad. The current duty time for each shift are as follows:

- Days: 0600 hours - 1800 hours
- Evening: 1600 hours - 0400 hours (note can change to 1630-0430)
- Nights: 1900 hours – 0700 hours

While this is the agency practice and is supported by all operations staff interviewed, it is not the policy. There is a clear need for three shifts to cover the workload. **The recommendation is to formalize this deployment and create the A/B/C team deployment (day, evening, night) as the official patrol deployment scheme.**

Figure 21 shows a schematic depiction example of how the field deputies are deployed on a 24-hour basis using average numbers of the existing two squads but also incorporating the practice of splitting the night shift into evening and night.

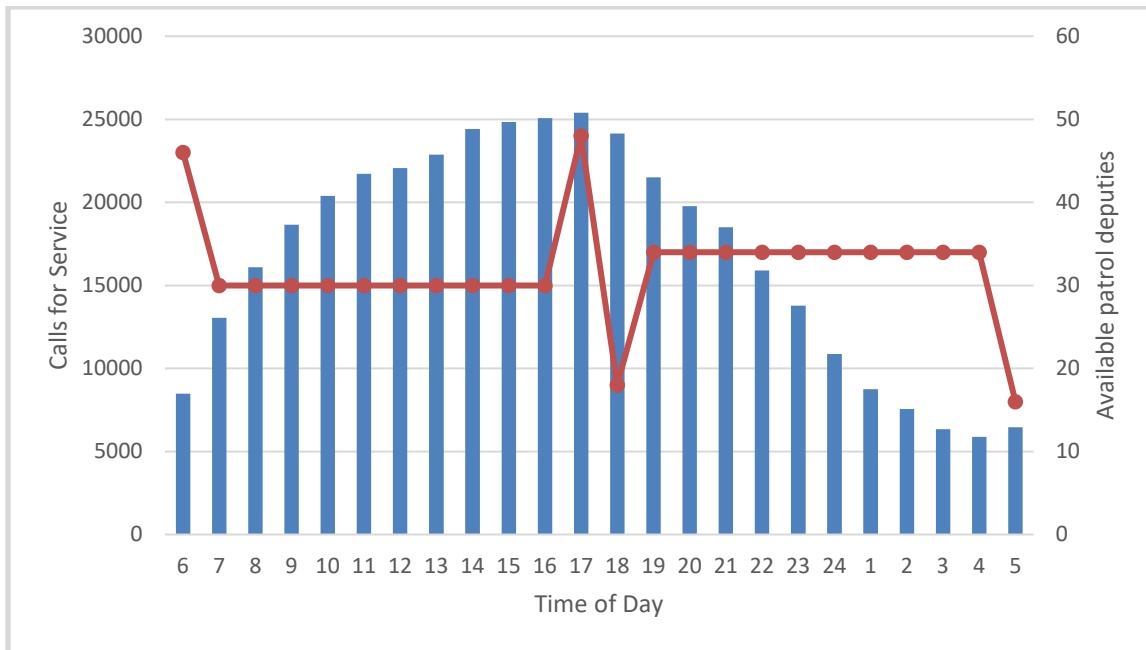
Figure 20. Current Patrol Deputy Temporal Deployment Scheme



*Assumes full staffing
 Source: LCSO Data

While the use of three shifts (time periods) is sound deployment, analysis indicates that the times of the current deployment scheme do not match the fluctuations seen over the past four years. Analysis was done for that time to address any anomalies such as those seen in the 2020 pandemic lockdown period. The calls for service analysis shows that 60% of the community-initiated calls occur during the day shift time period 6 A.M. to 6 P.M. (0600-1800). On a given day, there are 64 patrol deputies available to work covering all three shifts. This is the total number of assigned slots and does not include leave, training, or other specialized duties. For the day shift, there are 30 positions assigned for patrol, or 46.9% assigned to handle 60% of the citizen-generated workload. Figure 22 below provides a graphic comparison of patrol deputy deployment in relation to citizen-initiated calls for service. As can be seen, there are significant periods of time when the proportion of calls for service exceeds the proportion of deployed patrol deputies, and there are periods of time when the proportion of deployed field deputy assets exceeds the proportion of citizen-initiated calls for service occurring.

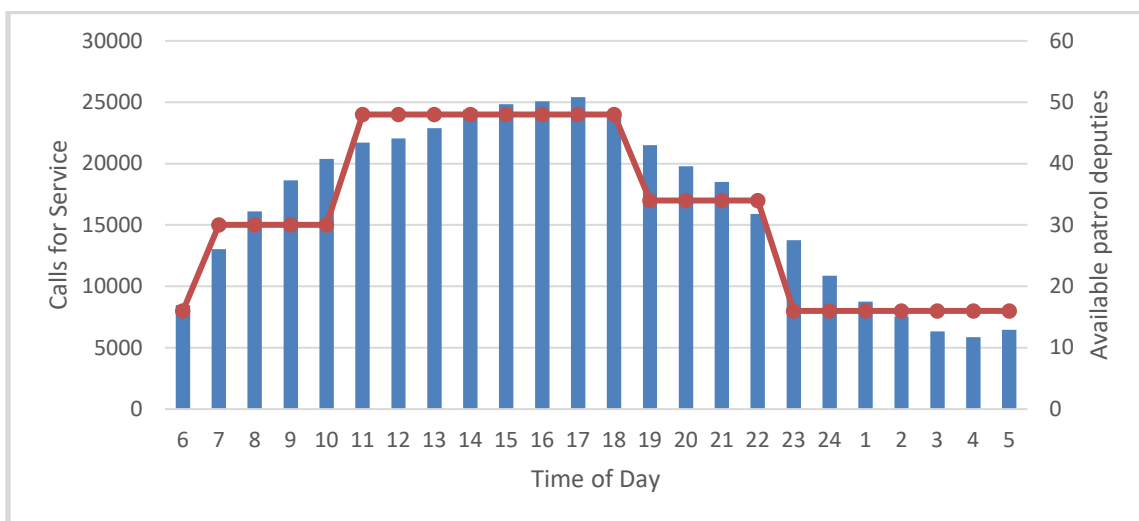
Figure 21. Calls for Service and Patrol Deputy Deployment



Source: LCSO Data

If three shifts (A/B/C) models continue the same 11.5-hour schedule and that there are no additional resources assigned as patrol deputies, the following depiction shown in figure 23 below shows hour shift hour changes could result in a more even distribution of the workload among the patrol deputies.

Figure 22. Example of the effect from Shift Hour Changes



Source: LCSO Data

However, a caveat must be stated. During the standard day shift period, there are other resources such as detectives, traffic, SROs, and other specialty units that normally do not handle community-generated calls for service but can be used to assist in critical incidents. These resources are not readily available during the evening and night shifts. As such, the IACP Team is not making a specific recommendation on shift hours. **Rather, it is recommended that the LCSO conduct as part of their annual workload analysis a temporal analysis to identify the most efficient and effective hours for their patrol deputy shifts.**

Field Operations: Patrol Geographic Deployment

Each of the four stations areas has field deputies assigned based upon workload. Table 20 below shows the relationship between field deputies assigned, population size, calls for service, and geographic size among the four stations.

Table 20. Comparison of District Stations

| Station | % Population | % Field Deputies Assigned (actual #) | % Calls for Service | % Square Miles |
|-----------------|--------------|--------------------------------------|---------------------|----------------|
| Eastern Loudoun | 24 | 30% (37) | 31 | 5 |
| Ashburn | 27 | 29% (36) | 29 | 7 |
| Dulles South | 34 | 24% (30) | 25 | 24 |
| Western Loudoun | 15 | 17% (21) | 15 | 64 |

As previously mentioned, while patrol deputies are “assigned” to “geographic stations,” their chain of command excludes the station commanders. The deputies are direct reports to the shift sergeants who are direct reports to the squad lieutenants who are direct reports to the captain in field administration. Station commanders are responsible for responding to criminal activity and quality of life issues within their assigned areas. The commanders have routine contact with community members and are the primary focus of the LCSO community policing operations. Each station is commanded by a captain and has a first lieutenant as an assistant commander and has a station sergeant. Non-sworn assets at each station include a crime analyst, administrative assistant, and a community services aide (CSA).

Each station has detectives assigned who are tasked with investigating property crimes such as larceny, auto theft, and burglaries. The assigned crime analysts work closely with the detectives and patrol deputies by identifying crime trends and developing intelligence bulletins.

Station-assigned community resource deputies are charged with working directly with community members, homeowner associations, businesses, etc., to address quality of life

issues. LCSO identifies the community resource deputy as its principal practitioner of community policing.

Table 21 provides a breakdown of the staff assigned to each station.

Table 21. Staff Assigned at Stations

| Station | Admin (CPT, LT, Sgt) | Patrol | Investigations | Community Resource | Civilian |
|-----------------|----------------------|--------|----------------|--------------------|----------|
| Eastern Loudoun | 3 | 37 | 3 | 3 | 3 |
| Ashburn | 3 | 36 | 3 | 3 | 3 |
| Dulles | 3 | 30 | 2 | 2 | 3 |
| Western Loudoun | 3 | 21 | 1 | 2 | 3 |

Source: LCSO Data

Patrol deputies work at their assigned stations, have lockers there and attend roll call but the station commander is not in their direct chain of command. Station commanders do request that patrol deputies carry out community engagement and proactive policing. These assignments are carried out but the potential for problems and/or conflicts is a very real. Simply put if a station commander is expected to be responsible for addressing crime, quality of life and community engagement in their assigned areas then the need to have all the resources necessary to include patrol deputies. The staffing model used by the IACP measures the available proactive time that a deputy will have. This time as part of an Intelligence Led Policing (ILP) approach to proactive policing allows resources to use data to seek out problems and employ strategies to reduce crime and quality of life issues. For this concept to work most effectively, station commanders should have direct and full control of assigned patrol deputies.

The current structure also negatively impacts the principle of Unity of Command. Unity of Command is a long-standing management principle that has been incorporated into military, Fire Rescue, and Law Enforcement operations. Henry Fayol, considered by many the “father of modern management theory,” developed 14 Principles of Management. One of these principles, “Unity of Command states that an employee should only receive orders from one superior only. Violation of this principle creates confusion in reporting lines.”

While it is clear from General Order 101¹¹⁰ that the sheriff and the LCSO understand the importance of unity of command, it is not clear why the station commanders do not have the

¹¹⁰ LCSO General Order 101 titled Authority and Organization says the following:

- SPAN OF CONTROL

patrol deputies as a full resource. **It is the recommendation that the LCSO fully assign the patrol deputies under the station commanders in support of unity of command, G.O 101 and to provide the station commander with the full range of resources needed to keep their communities safe.**¹¹¹

There are two options for the implementation of this recommendation:

1. Existing Resources Model.
 - a. There is are currently 6 lieutenants and 19 sergeants assigned to supervise the patrol force.
 - b. Assign one additional lieutenant to each station.
 - c. Assign the remaining 2 lieutenants as overnight duty commanders on the same 84-hour schedule as they currently work. This system is used by many area departments such as Fairfax and Montgomery. Station lieutenants can fill when duty commander is on leave.
 - i. The duty commander lieutenants will report to the captain in Patrol Administration
 - d. Assign four sergeants to each of the four stations totaling 16 to supervise the day and evening shifts reporting to station commands
 - i. The appropriate field deputies will be under these sergeants
 - e. Assign remaining three sergeants to supervise the overnight shift reporting to the duty commander lieutenants.
 - i. The appropriate field deputies will be under these sergeants
 - f. While not the ideal situation and some of the unity of command issues remain, the bulk of the resources charged with community engagement and proactive policing will be under the command of the station captains.
2. Additional Resource Model – 4 additional sergeants
 - a. Add four additional sergeants to the patrol compliment bringing the total of patrol sergeants to 24.

To achieve effective direction, coordination, and control, the number of employees under the immediate control of a supervisor should not exceed twelve.

• CHAIN OF COMMAND

The Sheriff also authorizes the organizational structure of and chain of command within the LCSO. Employees within each of the agency's divisions are supervised by and report to the next highest-level supervisor. This supervisor shall be an identifiable person who shall be responsible for the employee's assignments, performance evaluations, counseling, etc. In order to avoid confusion and to promote efficiency within the agency, each organizational component shall be under the direct command of only one supervisor. In addition, each employee shall be accountable to only one direct supervisor at any given time.

¹¹¹ The IACP Team provides two options for the implementation of this recommendation, both are included in the Appendix.

- i. Assign six sergeants to each station to supervise patrol deputies covering all three shifts
 - 1. The appropriate field deputies will be under these sergeants
- b. Assign one additional lieutenant to each station
- c. The remaining 2 lieutenants assign as overnight duty commanders on the same 84-hour schedule as they currently work. This system is used by many area departments such as Fairfax and Montgomery. Station Lts can fill when duty Cdr is on leave.
 - i. The duty commander lieutenants will report to the captain in Patrol Administration.

Field Operations: Patrol Deputy Geographic Accountability

As mentioned above, the current organizational structure of LCSO challenges the concept of unity of command, and it also challenges the concept of geographic accountability. Geographic accountability has long been a standard and core component of effective community policing programs. The COPS Office identifies geographic accountability as one of the key organizational transformation steps that agencies must take as they develop and implement community policing in their community.

“With community policing, there is a shift to the long-term assignment of deputies to specific neighborhoods or areas. Geographic deployment plans can help enhance customer service and facilitate more contact between police and citizens, thus establishing a strong relationship and mutual accountability. Beat boundaries should correspond to neighborhood boundaries, and other government services should recognize these boundaries when coordinating government public-service activities.”

To create bonds with the community, specific and continuous efforts must be made to develop relationships with members of the community. Deputies should be assigned to specific areas of the community, long term so that they develop connections and relationships through consistent interaction. Law enforcement visibility is increased through less formal interactions such as engaging in an informal conversation with homeowners or store owners. These informal interactions help in changing negative views of law enforcement. One on one relationship building provides opportunities for more personalized relationships, lessens differences, and strengthens mutual trust and understandings.

The LCSO is organized in support of this concept and does strive to implement it continuously. However, interviews revealed that with the current organizational structure (patrol deputies

not directly assigned to district captains), there is a tendency to stray from this concept. If a busy beat is not filled on a particular shift, a deputy from a slower beat or district often is reassigned by the on-duty lieutenant instead of calling someone from the district back into work – ostensibly to save over time. There either is a shortage of patrol deputies, or the concept of beat/geographic accountability is not a priority.

The IACP recommends that establishing geographic accountability as a core element within the agency. LCSO should fully stress beat integrity. Deputies and supervisors should focus on beat discipline to increase the culture of accountability within the area for which they are responsible:

- Within each district, review how beats are set up and assigned and designate neighborhoods and geography within each district for coverage by the same deputies so that those deputies are responsible for that geography. **It is recommended that lieutenants oversee several beats within each district, the size of which would be dependent on staffing availability of lieutenants.**
- Set up regular monthly meetings with residents and business owners to share information both ways, identify concerns and issues, work to gain some consensus on priorities, identify internal and external resources and partnerships who may play a role in impacting the issue, and collaboratively craft a plan with stakeholders to address the concerns.
- Efforts should be tracked and results shared. Meetings should have a formal agenda and track issues and concerns, prioritization of those matters, plans to address them using all available resources, and results and updates on each issue in each meeting. This process fosters involvement and buy-in, reduces false expectations, and creates a strong partnership with the community, neighborhood by neighborhood, as trust is built. These meetings should take place regularly, regardless of whether attendance is robust. The fact that such a mechanism for input and problem identification and problem-solving exists is critical to excellent communication and transparency and reducing frustration on the part of residents.

As mentioned previously, while not on an assignment, it is critical that deputies know exactly what they should be doing during their “unobligated” time, as the concept of “random patrol” is no longer efficacious. Specific efforts should be based on crime analysis and Intelligence-Led Policing (ILP), concerns of residents, and supervisory direction regarding strategies, and every deputy should know exactly what is expected of them when not on a call for service. Based on ILP and these related factors, expectations and efforts will be unique to each beat. These efforts may include checking in on businesses, presence, and visibility in a particular location, parking the vehicle and walking a beat, traffic control and direction, disrupting drug sales,

outreach to the homeless, identifying suspects, talking with residents, etc. All these efforts should be tracked by the Computer-Aided Dispatch (CAD) system for specific function and for time, location, and duration.

Sergeants should ensure that deputies are appropriately spending non-obligated time as directed by current crime patterns, community concerns, etc. There should not be one business, community group, or school (private or public) that does not know which deputies are responsible for their beat and who receives proactive contact on a routine basis from the agency.

8.4 Patrol WORKLOAD Staffing Needs

1. Review workload analysis, looking at the time spent on calls in 2020. Since the pandemic issues most likely skewed 2020 data, 2019 provides a better look at patrol workload for Loudoun County. Data for 2020 should be fully evaluated to determine whether further adjustments are warranted.
2. Loudoun County has established a performance benchmark for patrol response that says a deputy's obligated time should not exceed 60%. IACP analysis indicates that the current workload for a patrol deputy (at a first responder strength of 185) is at 64%. To meet the benchmark of 60%, an operational minimum for first responders requires 198 patrol officers, an addition of 3 FTEs.
3. Industry best practices establishes 30% - 40% as the optimum level for proactive time. To achieve this, establish an optimum level for patrol staffing. To achieve the optimum level, the authorized number for patrol force first responders should be 264 or an addition of seventy-nine (79) FTE positions. The optimum patrol staffing will provide more proactive time, and position the agency to deal with the expected workload increases that will likely occur with population growth, increased urbanization, and large-scale development such as the advent of the WMATA arrival in Loudoun County.
4. Review deployments and taskings; identify functions that are not vital to the county's core public safety mission. If it is not a core function, then perhaps it should not be a police service function. In short, the number of new officers needed in patrol to achieve the minimum or recommended staffing levels could be reduced by reassigning personnel from other units. Additionally, there are a number of positions that could be filled by non-sworn personnel, thus returning additional sworn positions to patrol.
5. Establish both policy and practice that all patrol assignments are essential *in fulfilling the core mission*. Backfilling any vacancies in patrol from less-essential roles is a priority.

Supporting Analysis

The IACP patrol staffing recommendations are determined by evaluating the total required workload hours (based upon citizen-generated calls for service) against hours of deputy availability. Deputies are not able to work for a variety of reasons, including days off, vacation, sick leave, holiday time, and training obligations. To define staffing needs, deploy deputies properly, and evaluate productivity, it is necessary to calculate the actual amount of time deputies are available to work. To assist in these calculations, leave usage data was requested from LCSO.

This computation starts with the assumption that each deputy position is budgeted for 2184 hours per year. However, to gain a more accurate picture of how many hours per year the average deputy is available to work, various leave categories must first be deducted from this total. The leave data provided by LCSO indicated that 45,003.25 hours of various types of leave was used by the patrol force. Based upon a staff of 185 deputies who are considered first responders, they are available for work on average 1,941 hours per year, not 2,184 hours. The 185 number includes patrol deputies assigned to the four stations, K-9, Motors, Accident Reconstruction, SOS, and Community Resource Deputies.

Table 22. 2020 Patrol Availability (Hours)

| Leave Category | Sum of Hours |
|-------------------------------------|-----------------|
| PS Administrative Leave with Pay | 746.75 |
| PS Administrative Leave Without Pay | 36 |
| PS Annual FMLA Pay | 643.75 |
| PS Annual Leave Pay | 20850.25 |
| PS Bereavement Leave Pay | 1192.5 |
| PS Donated Leave Pay | 392.75 |
| PS Floating Holiday Leave | 1146 |
| PS Military Leave with Pay | 1792 |
| PS Military Leave Without Pay | 36 |
| PS Paid Leave Pay | 669 |
| PS Scheduled Holiday Leave | 4210 |
| PS Sick FMLA Pay | 1431 |
| PS Sick Leave Pay | 9345.5 |
| PS STD Payment | 240.25 |
| PS Work Comp Pay | 1465.25 |
| Sick Leave Pay | 91.75 |
| Work Comp Pay | 8 |
| Grand Total | 45003.25 |

Source: LCSO Data

Table 23. LCSO Total Leave Hours

| | |
|---|-----------------|
| Total leave hours | 45003.25 |
| Average number of deputies considered primary CFS responders | 185 |
| Total workhours budgeted for primary call response (185 x 2184) | 404,040 |
| Actual total workhours available for call response (404,040-45,003) | 359,037 |
| Average Annual Availability (Hours) per patrol deputy (339,797/185) | 1941 |

Source: LCSO provided data

Workload Analysis and Models

Loudoun County sets specific performance indicators for the LCSO patrol force. The indicators measure response time and time available for each patrol deputy. The below section from the Loudoun County FY 2020 Program Review provides the specific measurement indicators. For each of the four stations it establishes the following:

“Ensure that less than 60 percent of each deputy’s time is allocated for being on scene of calls to ensure sufficient time for administrative tasks, proactive patrols, and traffic enforcement.”

Measurement standards make it possible to evaluate and define patrol staffing and deployment requirements, and the IACP uses a specific model for doing this. The model evaluates a patrol deputy’s time in specific categories: a) Administrative time, b) Obligated time, c) Proactive policing time.

Administrative Time

Profession-wide, administrative time generally accounts for approximately 15% -20% of a deputy’s average day, and this appears to be the case at the LCSO.¹¹² This percentage can seem high to those not acquainted with the patrol function; however, a review of the following typical patrol activities supports this average:

- Report-writing and case follow up (30 minutes)
- Patrol briefings roll call - 30 minutes
- Administrative preparation/report checkout – 30 minutes
- Meal and personal care breaks – 30 minutes
- Vehicle maintenance and fueling (15 minutes per day)

¹¹² Precise information is not available in CAD for many administrative activities, due to variances in deputy call outs for these activities. Nevertheless, the interviews and observations suggest that administrative time for the LCSO appears to be at the norm.

- Meetings with supervisors (variable)

The numbers above help to demonstrate a substantive administrative workload, which is otherwise not typically captured or considered. As noted in other areas of this report, the LCSO captures certain *administrative* data, such as follow-up, business checks, and directive patrols; however, the LCSO may wish to refine this process to identify this data as administrative, as opposed to deputy-initiated, and to capture additional data points.

It is also important for the LCSO to recognize that these supplemental duties, while important, result in a reduction of *productive* time for patrol deputies to manage the obligated workload. Accordingly, it is important for the LCSO to carefully monitor the time burdens of these activities to ensure they are not unduly detracting from the opportunity for deputies to perform their primary function.

Obligated Time

Obligated time is the aggregate amount of time consumed by deputies to answer calls for service generated by the public, and to address on-view situations discovered and encountered. It is the total of criminal, non-criminal, traffic, and backup activity initiated by a call from the public, or a crime incident a deputy comes upon (obligated workload). When expressed as a percentage of the total labor in a deputy’s workday, obligated time of first response deputies should fall between 30%-50%. To quantify the amount of workload volume, a thorough examination of CAD data provided by LCSO was conducted. The workload analysis, obligated patrol workload, is shown in table 24 below.

Table 24. Obligated Patrol Workload¹¹³

| Year | Total Number of Calls | Total Number of Calls with more than one unit | Sum dispatched to completed time (hours) for primary unit | Sum Dispatched to completed time (hours) for all units |
|------|-----------------------|---|---|--|
| 2017 | 100,500 | 37,089 | 65,538 | 196,272 |
| 2018 | 102,964 | 36,369 | 93,558 | 272,819 |
| 2019 | 106,074 | 36,139 | 72,832 | 218,459 |
| 2020 | 92,905 | 37,804 | 93,843 | 542,998 |

Source: IACP calculation from LCSO CAD data

¹¹³ This calculation combines the total community-initiated hours and related backup hours handled by first responders in CAD for 2017-2020, resulting in the adjusted patrol workload (sum dispatched to completed time all units).

While the data used for the staffing models was 2019, the 2020 data was analyzed as well.¹¹⁴ The analysis showed that the total number of calls fell from 2019 to 2020 by 12.5%. Given the lockdown and other COVID restrictions, this was expected. What was not expected was the increase in the total amount of obligated time used in 2020. Per interviews with LCSO and a review of CFS, the increase was a result of changes in mental health cases, the impact of which is discussed at the end of this Section.

LCSO specifically tracks the impact that mental health cases have on patrol workload. While this tracking data shown in figure 24 in section 9.5 does show an increase, it is significantly less than the increase in time expended on calls from 2019 to 2020. Between 2019 and 2020, the number of calls for service decreased by 13,000, yet the total amount of time spent by all units on the calls increased by 325,000 hours.

This might indicate data entry/ classifications have changed, more units are responding to calls and spending more time on those calls, LCSO is responding to more serious or complicated calls (which is not supported by the crime data), or it can be reflective of an over-response to calls for service. **LCSO should conduct a thorough evaluation of the increase in time expended on calls to determine the cause and implement appropriate corrective action as appropriate. A similar analysis of 2021 data will likely indicate whether 2020 data is a data anomaly or indicative of a larger problem.**

¹¹⁴ The IACP ends to use the most recent year to establish the baseline parameters for staffing requirements. However, the challenges and shifting work patterns caused by the 2020 pandemic lockdown likely skewed the 2020 data. After consultations with LCSO command staff it was decided that 2019 data is more reflective of normal LCSO operations.

Table 25. Obligated Workload Model

| | Literal Explanation and Formula | 60% Minimum Level | 45% Optimum Level |
|---|--|-------------------|-------------------|
| A | Total Patrol Unit Obligated Hours | 218,459 | 218,459 |
| B | Available Hours per Deputy | 1,941 | 1,941 |
| C | Current Number of First Responder Deputies in Patrol | 185 | 185 |
| D | Current Patrol Hours Available (B*C) | 359,085 | 339,797 |
| E | Current % Obligated to Citizen CFS (A/D) | 60% | 60% |
| F | Target Obligated Workload | 60% | 45% |
| G | Deputy Workload Hours Available at targeted obligated workload [60% / 45%] (B*F) | 1,164 | 873 |
| H | Administrative Time | 15% | 15% |
| I | Flex Time to cover surges in workload because of critical events, seasonal changes, etc. | 10% | 10% |
| J | First Responder Deputies Required to Meet Target Workload (A/G) | 188 | 250 |
| K | Additional Primary CFS First Responder Deputies Needed (J minus C) | 3 | 65 |
| L | Total Obligated Time (F+H+I) | 85% | 70% |
| M | Proactive Policing Time Available (100% - L) | 15% | 30% |

Source: IACP calculation from LCSO CAD data

Proactive Policing Time

The cumulative obligated and administrative time that deputies spend should not be so significant that they are unable to respond to emergencies in a timely fashion or engage in mission-critical elective activities and problem-solving efforts. A proportion of the workday must be available for providing proactive policing services:

- To engage the community
- To have and initiate public-service contacts
- To participate in elective activities selected by the agency, such as community policing and problem-solving
- To make pedestrian and business contacts
- To conduct field interviews
- To engage proactive traffic stops and proactive patrol efforts.

Workload Assessments and Recommendations

Based on the data, 188 first responders, an addition of three (3) deputies, should be established as the new operational minimum level so that the obligated workload volume can match the performance standards (60%) as established in the Loudoun County Performance Review document. As per the Loudoun County Performance Review document the 60% does not include administrative time nor a 10% flex to cover peak periods of workload. Thus, with administrative time taking 15% of a deputy's worktime, the operational minimum level of first responders (188) allows deputies to spend 15% of their time on proactive activity to include community engagement.

The 188 assigned first responders represent the minimum number of deputies required to operate and respond to CFS effectively and efficiently based upon the Loudoun County standard of 60% obligated time. This number is considered the operational minimum, and it is the number for staffing under current conditions.¹¹⁵

Further, the agency occasionally has personnel who are non-operational (due to FMLA, military leave, or injury, they are unable to fulfill their duties). For calculating staffing needs, non-operational personnel are essentially vacancies, which must be filled to ensure staffing is maintained at operational minimums. Finally, the operational minimum does not achieve the level of proactive policing time that is recognized as the amount needed for providing truly effective proactive police services and community engagement.

Proactive time based upon guidance from the COPS Office and best practices found in IACP studies of agencies with model community policing programs, the IACP recommends 30% - 40% as the optimum level for proactive time. This level of proactive time affords patrol officers/deputies the time needed to engage the community in partnerships, solve community problems and conduct crime suppression and prevention activities. **To achieve this, the authorized number for the optimum level for the patrol force first responders should be increased to 250 or addition of sixty-five (65) deputy positions. These additional deputies will better position the Loudoun County Sheriff's Office to deal with the expected workload**

¹¹⁵ To accurately reflect workload and staffing needs the IACP team used two models; one based on obligated and administrative workload equaling 60% (Loudoun County Performance Measure) and one based with only an obligated workload equaling 60% (Loudoun County Performance Measure) and administrative time being considered part of proactive policing time. For both models' administrative time is estimated to be 15% of a deputy's standard workday. Workload is not stagnant, rather it can flex based upon unforeseen factors such as critical incidents, seasonal changes, weather events, etc. To address the fluid nature of obligated time the IACP model includes 10% time as a flex buffer to address the fluid nature of calls for service.

increases that will likely occur with population growth, increased urbanization, and large-scale development such as the advent of the WMATA arrival in Loudoun County.

Deployment of Sworn Personnel

The deployment of resources is a decision by the chief law enforcement officer based on an analysis of problems and issues facing the community. The deployment should be designed to achieve success in solving crime and community issues in the most effective and efficient manner.

LCSO has 646 sworn positions. Of that, 150 sworn positions are assigned to corrections, and 40 are assigned to court services, leaving 456 sworn positions assigned to the remainder of the agency. Documents provided indicated that 242 sworn positions are assigned to Field Operations of which 185 or 40.5% are classified as primary first responders. A 2013 survey by the Bureau of Justice Statistics (BJS) of 12,000 police agencies found that the average number of sworn staff assigned to patrol / first response was 60%. A review of the 2017 benchmark city study showed that 59% of the sworn staff was assigned as first responders. Additionally, a study conducted by James McCabe, Ph.D. for the ICMA Center for Public Safety Management, recommends 60% of sworn assets should be assigned for patrol response.

There is no simple solution or recommendation for this issue, but it likely is one that has an impact on LCSO's ability to perform its primary mission. It is recommended that LCSO review its deployment and taskings and identify those functions that are not vital to the agency's core mission. If it is not a core function, then perhaps it should not be a police service function. This is an operational and deployment decision by LCSO, but it does affect the number of deputies available and the agency's overall response to calls for service. **In short, the number of new deputies needed in patrol could be reduced by reassigning personnel from other units within LCSO as first responders. Additionally, there are a number of positions that could be filled by non-sworn personnel, thus returning additional sworn positions to patrol / first response duties.**

Prioritize Patrol Staffing

It is important at this juncture to discuss the prioritization of patrol staffing. Few would argue that the core function of any law enforcement agency is the patrol division. Despite this belief, when staffing vacancies occur, even on a daily basis, these vacancies often result in reductions to the patrol operation. When there are shortages in the patrol division, the overall capability and effectiveness of the organization are affected, and it ultimately results in service reductions. It also affects the capacity of patrol personnel to perform supplemental duties and community engagement activities. **It is recommended that the agency establish a policy that**

all patrol assignments are essential in fulfilling the core mission, backfilling any vacancies in patrol from less-essential roles.

8.5 Other Factors/ Obligated Time Reduction Strategies

1. Work with Loudoun County to establish county-level strategies to address mental health CFS (see section 5 for county-level recommendations)
2. Monitor the online reporting program and review the time used per IBR. The purpose of the review should be to maximize the efficiency of the process without adversely impacting the effectiveness of the program. This will allow for process improvements that can be phased in to rapidly scale up should workload increases require this step.
3. Maintain the policies and procedures developed for online and telephone reporting programs. This will allow the department to rapidly scale up should workload increases require this type of alternate response.

Supporting Analysis

The IACP has identified additional factors that bear consideration in terms of the efficient and effective use of personnel and resources.

Mental Health

Recently the Commonwealth of Virginia closed or limited access to a number of mental health facilities across the state. This reduction in facilities had a ripple effect by dramatically increasing the amount of time it takes to get a patient with mental health needs into a treatment facility. This in turn significantly increased the obligated time that law enforcement officers must spend on mental health cases. The impact of these facility closings is expected to continue to severely impact obligated time. Ancillary information was provided that indicated it is not unusual for a deputy or deputies to spend more than 24 hours guarding a person under an Emergency Commitment Order (ECO) / Temporary Detention Order (TDO) while awaiting appropriate placements to be found. LCSO is temporarily able to shift personnel and to use overtime to address this crisis in the short term, but this is clearly a situation that cannot be maintained.

The data shown in figure 24 below reflects the data tracking that LCSO does in evaluating the impact of mental health cases.

Figure 23. 2019-2020 Comparison - Total Mental Health Cases - Time Loss from Patrol

| Month/Year | Total MH Cases | Hours by Month | Month/Year | Total MH Cases | Hours by Month |
|-------------------|----------------|----------------|-------------------|----------------|----------------|
| 1/19 | 49 | 249 | 1/20 | 48 | 477 |
| 2/19 | 37 | 383.5 | 2/20 | 40 | 380.5 |
| 3/19 | 44 | 469 | 3/20 | 32 | 367.7 |
| 4/19 | 25 | 227 | 4/20 | 27 | 203 |
| 5/19 | 41 | 404.5 | 5/20 | 27 | 226.5 |
| 6/19 | 39 | 386 | 6/20 | 49 | 437.5 |
| 7/19 | 38 | 450 | 7/20 | 27 | 245 |
| 8/19 | 30 | 246.5 | 8/20 | 37 | 429 |
| 9/19 | 33 | 343.5 | 9/20 | 23 | 173 |
| 10/19 | 32 | 247 | 10/20 | 37 | 416.5 |
| 11/19 | 34 | 329.5 | 11/20 | 41 | 458 |
| 12/19 | 37 | 326 | 12/20 | 30 | 296 |
| Total 2019 | 439 | 4061.5 | Total 2020 | 418 | 4109.7 |

Source: LCSO Data, Loudoun County Data

While the LCSO Crisis Intervention Training (CIT) program, and its trial usage of specially training deputies to provide direct response and follow up to individuals experiencing mental health problems (CARE program) are clearly national best practices, the LCSO is not equipped to handle the current mental health crisis and immediate health needs by themselves. Discussions were held with the representatives from the Loudoun County Department of Mental Health, Substance Abuse and Developmental Services (MHSADS); that indicated a very strong partnership between MHSADS and LCSO.

Loudoun County currently has some resources available to county residents, like the CrisisLink hotline and the Crisis Intervention Team Assessment Center, which provides mental health evaluation, crisis intervention and stabilization services, and can be accessed seven days a week from 7 a.m. to 11 p.m. In the instances where an individual is brought in for assessment by a law enforcement officer, they are received by a deputy so that the patrol deputy can return to patrol duties.

This is not an issue or problem unique to Loudoun County or even the Commonwealth of Virginia. A recent study done by the Treatment Advocacy Center for the National Sheriffs'

Association and New York Association of Chiefs of Police found that 21% of total law enforcement staff time was used to respond to and transport individuals with mental illness. Nationwide law enforcement spends nearly a quarter of their time dealing with individuals suffering from severe mental illness, effectively diverting them from their primary public safety roles and straining already scarce law enforcement resources.

The challenge is to re-imagine how law enforcement is used in these cases, as well as the types of services and facilities available and accessible to law enforcement and residents. The Center for Mental Health Services Substance Abuse and Mental Health Services Administration established National Guidelines for Behavioral Health Crisis Care. These guidelines are designed to solidify national best practice guidelines that reflect the standard of care that should be used in handling mental health cases. Core elements of this system should include:

- Regional or statewide crisis call centers coordinating in real time
- Centrally deployed, 24/7 mobile crisis response teams
- 24/7 crisis receiving and stabilization programs

Neighboring Prince William County is experiencing similar problems. However instead of adding police officers as a band aid approach, Prince William County is looking to open a mental health crisis receiving center in accordance with the SAMHSA guidelines. This facility will be staffed at all times with mental health professionals who can provide immediate mental health help to patients. This approach is re-imagining how mental health help should be provided in the community and allow for those experiencing a crisis a way to be deflected or diverted from law enforcement custody who are not equipped to handle acute mental health situations.

One of the key needs at both the county and state level is the lack of skilled clinicians. It is estimated that statewide there are 1800 vacancies in the skilled mental health positions, resulting in 20% of the mental health beds statewide being eliminated. At the Loudoun County Mental Health level staff shortages are such that both current and new programs are being impacted and/or curtailed. While it is evident that both the LCSO and Loudoun Mental Health have strong desire to provide high quality mental health services and employ many of the best practices found in both professions, the challenges and problems are such that specific and direct action by the Board of Supervisors is needed.

It is recommended that the Board of Supervisors establish a mental health crisis task force. This task force should be charged with developing strategies at the local level and ensure that Loudoun's concerns are expressed to both state officials and the community. This group should explore all strategies including out of the box solutions. Potential areas to consider are:

- Local funding to increase recruiting, pay and improved working conditions for mental health clinicians
- Local funding for a drop-in center which provides 24/7 beds in the local community for those experiencing a mental crisis. This will reduce the workload for LCSO deputies and follow national best practices by having qualified mental health professionals provide critical services instead of law enforcement.
- Mental Health professionals to support the LCSO CARE Team

LCSO Alternate Response Programs

The LCSO has a modified online reporting program. It remains the LCSO policy that if a citizen wants a deputy for an on-scene response, they will get an on-scene response. The online reporting process involves the citizen filing a “basic notice” of a report online. Follow-up contact and report writing are then forwarded to one of the deputies who are assigned to the Executive Protection Detail. These deputies provide security at county buildings, and during their on-duty time, they conduct telephone follow up and complete the necessary paperwork (Incident Based Report [IBR]) and preliminary investigation.

Given the importance of technology among Loudoun County residents, it is likely that online reporting may become more popular in future years. Additionally, as population and workload increase in the future, LCSO may find it necessary to handle more calls in this manner as a way of freeing up scare patrol resources for more serious calls. **It is the recommendation that LCSO continues to monitor this online program and review the time used per IBR. The purpose of the review should be to maximize the efficiency of the process without adversely impacting the effectiveness of the program. This will allow for process improvements that can be phased in to rapidly scale up should workload increases require this step.**

As a result of the COVID-19 pandemic, LCSO detailed two positions on March 24, 2020, to handle telephone complaints. One position was assigned to the day shift as X301 and one to night shift as X302. These positions have not been maintained, but tracking calls for service handled by telephone has continued. The Loudoun County Sheriff's Office did not maintain data for telephone response prior to March 24, 2020. The total number of calls for service handled by telephone from March 24, 2020, to December 31, 2020, is 3,302. **It is the recommendation that LCSO continue to maintain the policies and procedures developed for this program. This will allow for LCSO to rapidly scale up should workload increases require this type of alternate response.**

Executive Detail Deputies

Table 26. Online Reports Handled by Executive Detail Deputies

| Year | Reports | Hours Saved | Cost Savings |
|---------------|----------------|--------------------|---------------------|
| 2016 | 2170 | 4340 | \$162,750 |
| 2017 | 2292 | 4584 | \$171,900 |
| 2018 | 1984 | 3968 | \$148,800 |
| 2019 | 1748 | 3496 | \$131,100 |
| 2020 | 2144 | 4288 | \$160,800 |
| 2021 (6 Mons) | 1110 | 2220 | \$83,250 |

Source: LCSO Data

LCSO use of the Executive Protection Detail is a very practical and best practice usage of these deputies' time as an additional duty. An analysis of the data provided shows that each case / IBR takes 2 hours. This is a surprisingly long period and certainly comparable to the time an on-scene response would take. These types of alternate reporting methods have historically taken less time among other IACP-studied agencies.

8.6 New Positions Summary

1. Recommended new positions¹¹⁶ following the Workload Analysis:

Patrol:

- Assigning patrol officers directly under the command of Station Commanders - **4 Sergeants***
- Operational Minimum level for patrol staffing – **13 officers***
- Operational Optimum level for patrol staffing – **79 officers***

Crime Analysis – Intelligence-Led Policing:

- 1 Crime Analysis Coordinator

¹¹⁶ Note: Some or all of these positions could be filled by reallocating positions from other functions within the agency.

8.7 Community Engagement in Loudoun County: Internal and External Communication and Input

1. In addition to the use of station community resource deputies, use sworn officers to expand and enhance outreach to recognized community groups.
2. Craft a department-wide community policing strategy, which explains and directs a comprehensive effort that includes every division within the agency, fosters communication, reduces information silos, implements strong geographical accountability for both the agency and residents and becomes the agency's way of doing business.

Supporting Analysis

Effective community policing is a manner of doing business and is thus significantly more than a philosophy. It encompasses an array of specific approaches and centers around building legitimacy and communication with the community through tangible and practical methods. Several core factors are inherent in effective community policing implementation and practices, including the following:

- Building trust and credibility with the community
- Communication and information sharing (both internal and external),
- Crime-fighting strategies: prevention, harm reduction, focused law enforcement/coordination, collaboration, and engagement
- Agency philosophy/strategy-accessibility, accountability, and responsibility
- Geographical accountability/beat integrity/ownership by officers and residents

It is readily accepted that building trust and legitimacy of a law enforcement agency is the most necessary and critical endeavor of any agency's community policing efforts as they move forward to serve their community. Without trust, credibility, and legitimacy, crimes go unreported, information from the public is not shared, and that critical, symbiotic relationship between the community and law enforcement is lost. Lack of trust results in less effective policing and continues to build an "us against them" mentality that the best and most enlightened agencies strive to eradicate.

It has been repeatedly shown that agencies and communities who engage in long term relationship building not only are better able to combat crime and foster a collective sense of trust and goodwill, but they also produce invaluable and immeasurable positive ramifications, including an increase in cases solved and reduced civil discord when use of force and other incidents occur. Because of the relationships developed, communication is stronger, and

mutual understanding is deeper. Building trust and legitimacy with communities is the lifeblood of good policing. It requires a high level of transparency both internally and externally so that personnel within the agency know and can articulate how and why their agency is engaging in policing efforts, so residents likewise understand and support these efforts.

One of the key components for building community trust is the establishment of community legitimacy. Simply put, community legitimacy is how the community views its law enforcement agency, whether it be a police agency or sheriff's office. To achieve legitimacy, the community must view police actions as:

- *Appropriate*
- *Proper*
- *Just*

The community must also feel there is social justice. Social justice is an essential component of healthy, effective communities. It is based on a fair and just relationship between individuals and society. Social justice demands that those in the community feel safe, including feeling safe from the police. Feeling safe starts with procedurally-just policing.

Procedural justice in policing is the principle that forms the foundation of the community's willingness, individually and aggregately, to accept the actions of the law enforcement, obey laws, participate in the criminal justice system, and partner with law enforcement to reduce crime and disorder and is dependent on the community's acceptance of policing actions as fair and equitable. Procedural justice consists of four primary elements:

- Fairness: Being fair in processes.
- Voice: Providing the opportunity for voice.
- Transparency: Being transparent in actions.
- Impartiality: Being impartial in decision-making.

The LCSO values its partnership with the community and non-law enforcement partners. The agency's leadership has put strong programs in place to maintain and enhance these programs with the goal of constant improvement in the community's safety and quality of life.

The agency has demonstrated its will, skill, ability, and desire to continue to engage with the community, and it is believed that implementation of these recommendations will assist the LCSO in continuing to raise the bar regarding its community engagement efforts.

LCSO uses the special unit approach for community policing programs.

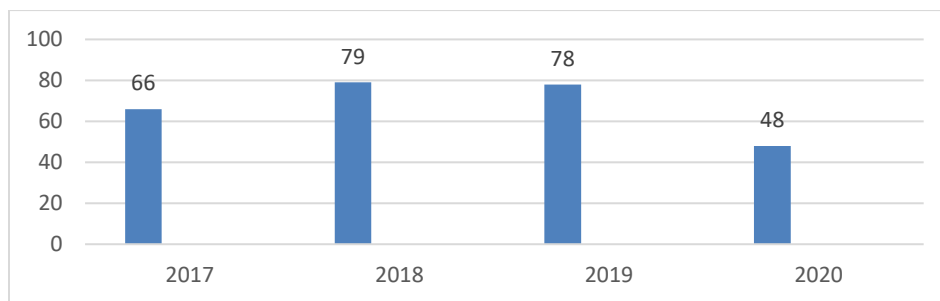
There are nine community resource deputies (assigned proportionally to the four stations) who partner with HOAs, community organizations, local business owners, and residents to provide a direct link to the LCSO. Community resource deputies host events and partner with other government and private entities that benefit the community and build relationships.

Community resource deputies use the partnerships formed with community and civic groups to effectively target ongoing quality of life issues and foster a sense of ownership within the community.

This program builds trust between local businesses, community leaders, and residents, specific to their individual communities. This program offers the community an educational component through monthly meetings with members of the community on how to deter and prevent crime. Finally, by assigning a dedicated deputy to specific communities, this allows the deputy to learn the specific needs of that area. Building trust with the community fosters a positive working relationship and opens communication between citizens and law enforcement. By building relationships with the community, law enforcement learns and better understands the needs of the community.

LCSO provides information on the number of HOA meetings their deputies attended, as seen in figure 25 below.

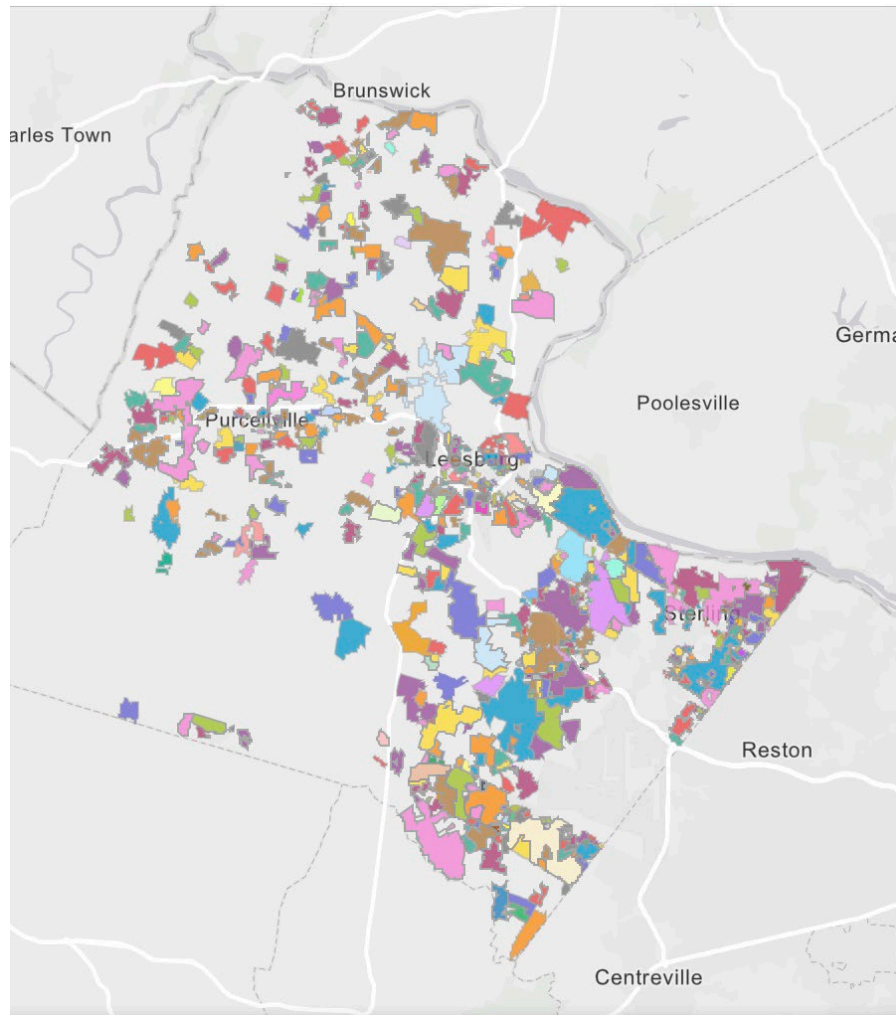
Figure 24. Number of Residential Meetings Attended



Source: LCSO Provided Data

According to the Loudoun County Government, there are recognized residential communities across the county, as shown in figure 26. While some are in the incorporated towns and covered by their respective police agencies, most are within the unincorporated areas.

Figure 25. Recognized Residential Communities



Source: Residential Communities of Loudoun County Map¹¹⁷

There is a significant difference in the number of meetings attended by community resource deputies and the sheer number of recognized communities within Loudoun County. While there are a number of reasons for law enforcement not to attend HOA meetings, including the community's desire, this is a missed opportunity that LCSO should strive to address.

LCSO should use patrol deputies to enhance its outreach to recognized community groups.

By expanding the pool of deputies tasked with community outreach, the LCSO will significantly increase its direct contact with the community and achieve a similar improvement in

¹¹⁷ See <https://www.loudoun.gov/234/Communities-Homeowners-Associations>

community partnership and trust. This recommendation is tied to the recommendation assigning patrol deputies directly to station commanders.

LCSO Should Adopt an Agency-Wide Community Policing Strategy.

Implementation and formalization of some structured approaches -- which includes geographical accountability with strong ownership by both law enforcement and residents-- is critical to effective community policing. Currently, it is unclear how much ownership and responsibility are attached to beat deputies and the chain of command throughout the agency, which is addressed in the section covering patrol deployment. Interviews (both internal and external participants) and document review indicated that there is not an overarching community policing plan or general order but that the agency's community engagement would improve if a comprehensive plan existed.

The overarching recommendation in this regard is for the LCSO to craft an agency-wide community policing strategy, which explains and directs a comprehensive effort that includes every division within the agency, fosters communication, reduces information silos, implements strong geographical accountability for both the agency and residents and becomes the agency's way of doing business.

To accomplish this strategy, the sheriff should formulate a task force of internal members of all ranks and representative residents and business owners to help craft an agency-wide community policing strategy. This strategy should center on core community policing efforts, which inculcates community policing practices into how the LCSO does business. Within this overarching community policing plan, several key components and sub-recommendations are provided. Each recommendation supports the following core aspects of effective community policing:

- Building trust and credibility with the community
- Communication and information sharing (both internal and external),
- Crime-fighting strategies: prevention, harm reduction, focused law enforcement/coordination, collaboration, and engagement
- Agency philosophy/strategy-accessibility, accountability, and responsibility
- Geographical accountability/beat integrity/ownership by deputies and residents

Once this agency community policing strategy is crafted, it is recommended that it become an integral part of recruit training so that all recruits understand its critical role in all agency operations.

Facilitate Community and Agency Input

While not common, there were several comments that some members of the agency felt they did not have a voice or there was a feeling of retribution if they disagreed with agency command or policies. This is a problem that is common in law enforcement organizations and often, it is very difficult to discern if this is a real issue or just employee dissatisfaction. Nonetheless, the principles of procedural justice, specifically, giving a voice, is critical to agency success and community trust.

It is a recommendation that LCSO continue to expand and enhance their robust internal and external Communication system. This should include strategies for both internal and external communication.

Internal

Roll Call Visits. The sheriff and command staff do attempt to visit roll calls. This is an effective means of establishing internal communications. For it to be truly effective, a schedule must be established whereby the sheriff and his upper-level command staff regularly and routinely visit roll calls across the agency.

- Those visits should be tracked to ensure consistency/ visits across the agency for both sworn and civilian staff
- Initially, the sheriff and his command staff do not even need to speak, as their presence alone will speak volumes.
- As members of the agency get used to their presence, personnel should become more comfortable raising issues, questions, and concerns and feel that the command staff is interested in what they have to say.
- As deputies and civilians become more comfortable with regular command presence, internal communication and trust will increase, and the ability for rumor control will be enhanced.

To overcome the fear of retribution (real or imagined), LCSO should establish suggestion boxes at multiple locations across the agency. A senior member of command should review all, and the LCSO should use an agency-wide email (weekly bulletin format) to respond, stating what the suggestion was, what actions LCSO is taking, and why.

External

The LCSO has a very strong social media presence and strives to keep the community informed for both current operations and proactive programs. These programs contribute greatly to the community's feeling that LCSO is an accountable and transparent agency. But in today's charged world a law enforcement CEO must ask if this is enough? Considering the level of social

unrest calls for change, Virginia law enforcement agencies must never be satisfied with the status quo and must constantly strive to not only maintain but to always strive to increase public trust.

The Virginia Legislature recently passed laws aimed at improving law enforcement accountability and transparency across the commonwealth. One of those laws, allows local governments to create panels that can field citizen complaints, investigate them and issue binding disciplinary rulings. The legislation also exempts sheriffs, who argued that because they are elected, they are already subject to civilian review every four years during elections. Many of Loudoun's neighboring jurisdictions such as Fairfax, Arlington and Prince William have or are in the process of establishing Citizen Review Panels.

Currently each district in Loudoun County holds quarterly meetings and has contact with a few of the larger HOAs. The IACP team asked community stakeholder interviewees their thoughts on a citizen review panel, and all did not see the need for it. However, all felt that the sheriff's office would benefit from more direct citizen input. While it is clear that an elected sheriff is accountable to the community, this occurs only every four years. As recent history has shown a lot can change in law enforcement and community trust in much shorter time periods than a four-year election cycle.

8.8 School Resource Officers

1. Designate a command-level liaison as a full-time law enforcement commander (the "SLC") assigned to the School Board headquarters to become part of the leadership team for the various agencies: schools, school security, law enforcement agency, and county government. Internal and external school resource officer (SRO) communications should be accomplished through real-time partnerships and circular non-directional communications flow.
2. Revise the school resource officer MOU to align with the state model for effective practices.
3. All stakeholders should adopt a data transparency practice to produce annual metrics of the SRO program to the community. The annual scorecard concepts should be described in the MOU, and a dedicated website should be maintained by all agency stakeholders.

Supporting Analysis

The Loudoun County Public Schools system operates 16 high schools and 15 middle schools covered by the nationally recognized School Resource Officer (SROs) Program supported by LCSO and the Leesburg Police Department.¹¹⁸ In July 2021, LCPS, LCSO, and LPD entered into a memorandum of understanding outlining the respective responsibilities of the parties, which specifically affirms both the sheriff's office and police department maintain complete autonomy over their own personnel. The agreement also requires all three parties to designate a point of contact for purposes of communication.¹¹⁹

Through interviews of stakeholders, evaluation of the current program, and review of effective practices, it is clear there are opportunities to enhance coordination and communication systems among these stakeholders.

Fairfax County Public Schools has developed an MOU that specifically points to communication efficiencies and goes one step further than the current Loudoun County MOU by also designating a command staff officer to serve as a liaison:

Senior Level Commander (SLC) Roles and Responsibilities¹²⁰

A Command Staff Officer will serve as the SLC assigned to the school system. This commander will ensure the coordination of resources, responses, and effective information sharing/notification between the OSS, affected Station Commanders, SROs and Patrol Bureau. In no event, shall the Director of OSS expand the SLCs or SRO's duties and responsibilities for school administrative functions beyond those expressly provided in the MOU.

The reality of efficient communications in the above model is the assignment of a full-time law enforcement commander (the "SLC") to the school board headquarters (reports to the office assigned each school day) as part of the leadership team of the schools, school security, law enforcement agency, and county government (i.e., First Lieutenant housed in the LCPS headquarters). The SLC would work with the LCPS Security Director and other key staff to help

¹¹⁸ The School Security staff are not armed, nor do they have law enforcement authority. The LCPS relies on the LCSO for all enforcement actions.

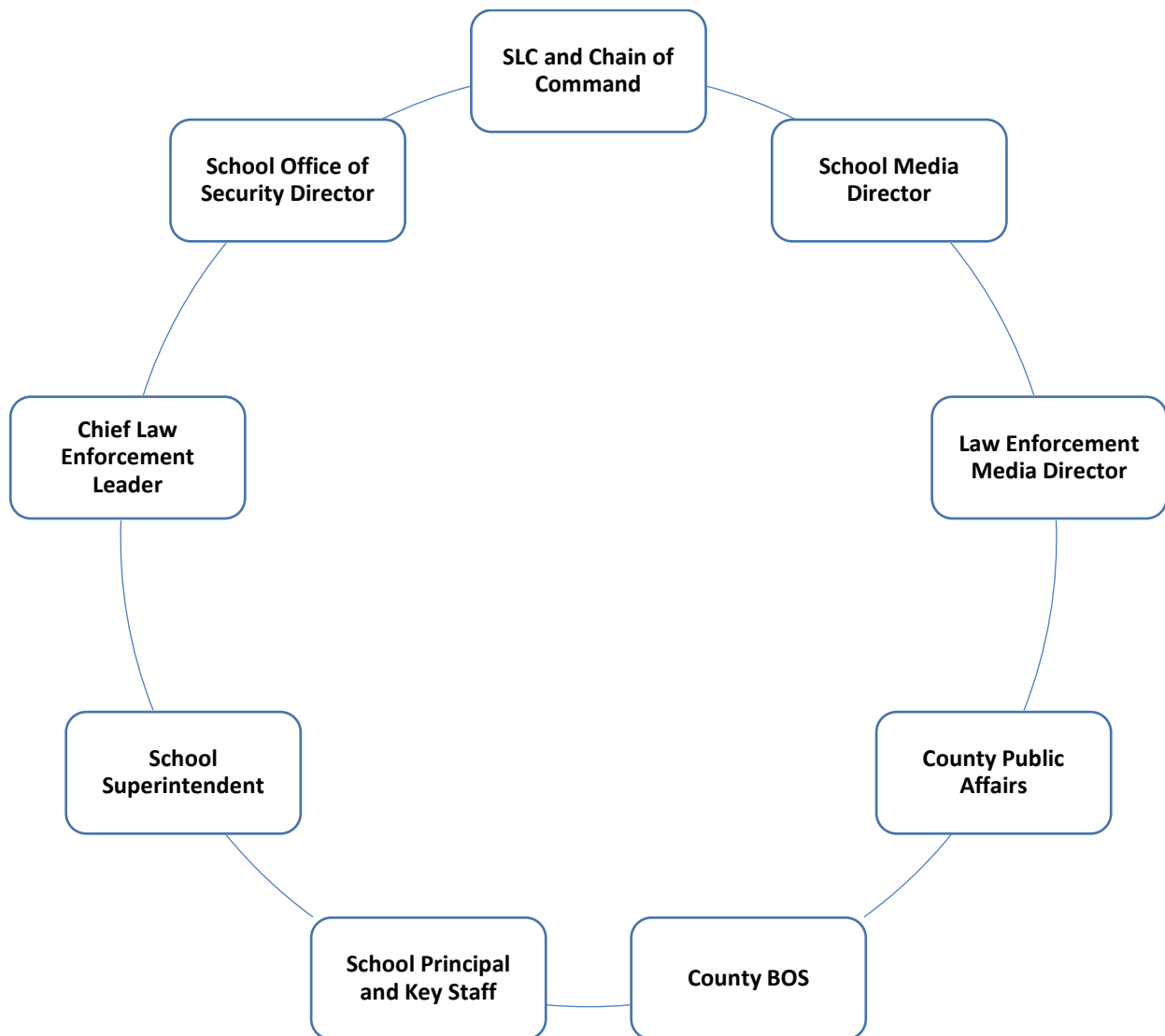
¹¹⁹ "The PD/SO and the SD will designate a direct point of contact between the PD/SO and the SD. The PS/SO point of contact will address any operational and administrative issues and will serve as a consultant for school safety and security issues including assessments and critical incident response planning. The PD/SO will maintain a working knowledge of school rules, regulations, and laws regarding student safety and conduct. The PD/SO point of contact will establish and maintain effective relationships with school personnel at the division and school levels." MOU at p. 2.

¹²⁰ See, <https://www.fcps.edu/node/36886>

coordinate training of all SROs, school staff, and the community. The SLC would also assist with the LPD SROs to create one unified program.

Internal and external SRO communications should be accomplished through real-time partnerships. The following depicts the best practice for circular non-directional communications flow for the school-law enforcement MOU:

Figure 26. Circular Non-Directional Communications Flow for School-Law Enforcement MOU



With this communications process, all messaging could be coordinated through a chain of command led by the tandem of the SLC and LCPS Security Director to their respective public information officers, who will be responsible for directly notifying the Sheriff, LPD Chief, School

Superintendent (and LCPS Board and the LCBOS when appropriate) prior to public information release.

Interviewees indicated the LCSO SROs and Leesburg Police Department SROs work independently, while other Virginia agencies (schools and law enforcement) from multiple jurisdictions work as a team within the same school districts for efficiency of operations and communications.

In 2017, the Virginia Department of Criminal Justice Services published its, "Virginia School-Law Enforcement Partnership Model Memorandum of Understanding, which provides additional guidance:

- Revise language in the MOU to clarify the roles of administrator and law enforcement officer for all SRO's. SROs should not actively fill the responsibilities of both administrator and law enforcement officer on individual matters.
- Continue to develop alternative accountability programs with judicial service providers and the LCPS.
- All stakeholders should adopt a data transparency practice to produce annual metrics of the SRO program to the community. The annual scorecard concepts should be described in the MOU and a dedicated web site should be maintained by all agency stakeholders.

09 The Conversion Process

The following analysis is offered to demonstrate the investment of time required to perform the highly technical and complex processes required to convert the delivery of Loudoun County's essential law enforcement services from the LCSO to a newly formed county police department in the event the voters of Loudoun County elect to relieve the sheriff of primary responsibility and authority for the delivery of law enforcement services. Based upon historical and current best practices of related conversions of essential law enforcement services in similar communities, it is estimated the conversion process would require period of 24 to 36 months to complete all required strategic planning goals such as budgeting, policy development, personnel hiring, procurement actions, training, testing and evaluation of systems, and coordination with all stakeholders before the police department can assume the duties of providing essential law enforcement services to the community.

9.1 Initial Objectives for the Board of Supervisors

The Board should consider developing the following initial strategic project management plan objectives leading up to a referendum to start the conversion process the day after potential voter approval to create a police department to establish. These initial strategic conversion objectives are the foundation for successful creation of a fully functional police department that would assume delivery of essential law enforcement services to the community. The initial strategic plan conversion objectives the Board should consider are::

1. Direct the county administrator to coordinate with the deputy county administrator for public safety and judicial administration to present a change management plan for approval of the Board to start the change management process immediately following the potential voter approval to create a police department.
2. Direct the county administrator to appoint an independent project manager. The project manager should possess municipal major county police department executive law enforcement background leadership experience in change management to lead all implementation processes while being aa direct report to the Deputy County Administrator for Public Safety and Judicial Administration.
3. The County Administrator should direct project management staff to set calendar dates and make appointments for the cadence of steering and work committee meetings and providing quarterly project management report to the Board during their official public meetings.

4. Should the voters approve a referendum to create a police department, the Board should direct the county administrator coordinate with the Director of the Department of Human Resources to initiate the process for hiring a chief of police for onboarding within the first year of the transition process. Once the chief is onboarded the project coordinator would assist the chief with the strategic implementation processes and decision-making processes as approved by the County Administrator.
5. Should the Board move forward with the establishment of a police department, the county administrator, assistant county administrator for public safety and judicial services, along with a project manager and chief of police can refine the illustrative timelines as needed.

9.2 Conversion Process and Strategic Milestones

During the 24 to 36 months of the strategic conversion of the delivery of essential law enforcement services from the Sheriff's Office to a Police Department, the project management team's goal is to successfully transition all identified essential law enforcement services to the Police Department using best practice strategic principles and actions that will provide seamless continuity of administration and operations of services to the community and all stakeholders.

Recommendation/Consideration:

Should the Board direct a referendum to be placed on a ballot for voters in November 2022, the charts below depict the best practices to transition essential law enforcement services from the LCSO to a police department.

Built into the anticipated costs for the transition process is the contingency plan for six months of overlapping and coordinated delivery of essential law enforcement services to the community by both the LCSO and the county police department. This contingency plan is in place should the recruitment, hiring, training, and making officers street effective goals be delayed due to the lack of qualified applicants in the job market or other administrative obstacles. The strategic transition plan anticipates the hiring of key administrative staff in years one and two, command and first line supervisor staff in year two, and sworn and non-sworn staff non more than six months prior to the police department becoming operational. This will afford the police department the opportunities to test and evaluate all technological systems to include the recommended transition of the 9-1-1 functions being transferred to the LCPD.

The transition process includes the recommendation of hiring the chief of police within the first year. The County Administrator should coordinate with the Director of Human Resources to start the building of the position description for the chief of police and start the process for

advertisement for the national search for a Chief of Police immediately following the approval of the referendum. On average, national searches for chiefs of police range from six to eight months. It is highly recommended that the job search include input from the community.

The dates used for the timeline and milestones are for illustrative purposes only and reflect best practices of similar law enforcement services transitions. Should the Board move forward with the establishment of a police department, the county administrator, assistant county administrator for public safety and judicial services, along with a project manager, can refine the illustrative timelines as needed.

| Step 1 | Step 2 | Step 3 | Step 4 |
|---|---|---|--|
| Project Steering Committee Created | Strategic Transition Planning Team Created | Create Policy Development and Co-production of Policing Team | Create Inter-agency Coordinating Team |
| <p>Board of Supervisors appoints project manager. Project manager reports to Public Safety Chairperson for Board direction.</p> <p>Work starts on strategic transition plan for all priority administrative infrastructures and budget development through a steering committee of Loudoun County Government agency senior leaders.</p> <p>Includes hiring of key administrative personnel to establish infrastructure of the organization.</p> | <ul style="list-style-type: none"> ▪ Budget review & design – for Board to approve funding of police department for start-up and FY2024 and beyond; includes Pay & Benefits Plans ▪ Director of Human Resources & County Attorney start draft of required changes to county policies and ordinances to accommodate police department functions and Board desires for accountability systems ▪ Facilities ▪ Equipment ▪ Training ▪ Hiring Process for Chief ▪ Branding ▪ Lines of Business Review (workload & crime data) ▪ Community Engagement ▪ Create Organizational Structure | <ul style="list-style-type: none"> ▪ Mission and vision statements ▪ Hiring standards ▪ DCJS compliance goals ▪ Accreditation review ▪ Information technology ▪ Police reforms ▪ Operating and Administrative Orders ▪ Performance management systems ▪ Annual training mandates beyond DCJS requirements (i.e., 21st Century policing objectives) | <ul style="list-style-type: none"> ▪ Sheriff, courts, NVCJA, others ▪ Risk management ▪ Communications center ▪ IT ▪ Payroll ▪ Purchasing ▪ General services ▪ Legal ▪ Human resources ▪ Budgeting ▪ Memorandums of understanding |

| | | | |
|--|--|--|--|
| | <ul style="list-style-type: none"> Police Service Areas review and design | | |
|--|--|--|--|

| Step 5 | Step 6 | Step 7 | Step 8 |
|---|--|---|---|
| Steering Committee Status Meeting and Report to Board of Supervisors | Hire Police Chief | Start Personnel Recruitment Process | Steering Committee Status Meeting and Report to Board of Supervisors |
| Report on all strategic initiatives | <ul style="list-style-type: none"> Begin draft of 3-year strategic plan, staffing plan, and communications plans Formalize organizational structure Formalize operational and administrative policies Formalize recruitment, hiring, and training processes Formalize process for hiring of command staff and supervisors Formalize all prior strategic objectives from teams Develop inter-agency organizational strategic transition and communications plans | <ul style="list-style-type: none"> Chief hires appropriate human resource personnel to initiate hiring process for all other positions Advertise hiring for all positions Chief kicks-off community outreach | Report on all strategic initiatives |

| Step 9 | Step 10 | Step 11 | Step 12 | Step 13 |
|--|--|---|--|---|
| Testing and Validation | Onboarding and Training of Personnel | Public Report to Board of Supervisors | Police Department Go-live | Project Manager Final Report to Chief of Police |
| <p>All strategic initiatives to be tested and evaluated for legal and policy compliance.</p> <p>All systems created to be tested for lines of business operations validation.</p> <p>Strategic plan and lines of business revisions.</p> | <ul style="list-style-type: none"> ▪ Sworn ▪ Non-sworn | <p>Announce strategic objectives and market police department to community with anticipated go-live date.</p> | <p>Organizational transition process launch between Chief, Sheriff, and all affected agencies.</p> | <p>Assessment of strategic plans for the Chief to consider for annual strategic reviews with department and Board of Supervisors.</p> <p>Project Manager concludes scope of work and exits.</p> |
| On-boarding and Training of Personnel | | | | <p>Schedule first quarter report to Board of Supervisors Public Safety Chairperson</p> |
| <ul style="list-style-type: none"> ▪ Command Staff ▪ First Line | | | | |

9.3 Gap Analysis for Transition

The Loudoun County Board of Supervisors does not possess the legal authority to direct a constitutionally elected officer such as a sheriff in their operations and administration of the law enforcement agency they are elected to lead. This assessment found the LCSO relies upon its relationship with the Loudoun County government to perform most of its practices for budgeting, procurement, facility management, and human resources in accordance with county practices and policies. The sheriff has autonomy for operations and many other administrative components as an elected official.

The management review included a gap analysis of the governance differences between an elected sheriff leading an independent law enforcement agency and that of an appointed chief of police leading a county agency across major administrative and operational business areas. The following gap analysis chart was designed for the reader to understand core lines of business governance differences between an independent sheriff’s office and a county police department.

Should the Board take steps to create a county police department, it is recommended the implementation team use the gap analysis in the design phases to ensure the police department meets the vision and mission elements of all communities and the directives of the Board.

The following chart provides a gap analysis to identify and state the differences between an elected sheriff providing the delivery of policing services and an appointed chief of police.

Table 27. Conversion Gap Analysis

| Function | Board of Supervisors | Sheriff |
|------------------------|--|------------------------------|
| Budget | Total Contributions made to LCSO | Contributions from State |
| Human Resources | Hiring, promotions, merit rights, collective bargaining, pay & benefits analysis | Submits to LC-DHR processes |
| Policy Directives | Personnel regulations | Regulations, policies, memos |
| Operational Directives | Can have oversight of a police department via County and County Administrator | Sheriff autonomy |
| Fleet Management | County General Services | County General Services |
| Facility Management | County General Services | County General Services |

| Function | Board of Supervisors | Sheriff |
|---------------------------|--|--|
| Media Relations | Can have oversight of a police department via County and County Administrator | Sheriff autonomy |
| Legal Counsel | BOS affords working relationships and should direct workload assessment for police department based on LCSO last 5 years. | Provided by Commonwealth |
| Risk Management | Working relationships now and what would be workload based on LCSO last 5-years | Provided by Commonwealth |
| Technology | Can have oversight of a police department via County, Deputy County Administrator for Public Safety, and County IT policies. | LCSO partners with Loudoun County Department of Information Technology |
| Data Transparency | Can have oversight of a police department via County and County Administrator | Use of force, significant incident reports and daily incident reports provided by LSCO on website. |
| Use of Force Transparency | Can direct reporting and accountability measures (e.g., civilian review panel and/or independent police auditor) | Provided by LCSO: Response to Resistance Statistics |
| Programs | Can have oversight of a police department via County and County Administrator | Sheriff autonomy |
| Accreditation | CALEA and VLEPSC | VLEPSC and DCJS only. (CALEA is a possibility) |

9.4 Loudoun County Government Public Safety Portfolio Organizational Realignment

Should the Board direct the creation of a police department, a corresponding change in the management of the public safety portfolio is recommended for broader coordination and communication with all stakeholders.

This portfolio recommendation would require the realignment of the Animal Services and Emergency Management agencies from other Deputy County Administrators. Additionally, the Board should consider realizing its goal of consolidating public safety communications during the establishment of the police department and have the new agency director report to the deputy county administrator for public safety and judicial administration. This recommendation is based upon best practices regionally and nationally to enhance the county’s ability to provide unified and coordinated essential public safety services to all communities served.

Consideration should also be given to establishing public accountability initiatives should a county police department be created through the potential establishment of a civilian review panel (CRP) and/or independent police auditor (IPA), and enhancement of public safety agency accountability through a new format of a public safety committee (PSC). The following are considerations for both the CRP, IPA, and PSC:

Civilian Review Panel

- Establish an official Board Committee with by-laws
- Appointed members
- Provide stipend in accordance with county policies
- Provide contracted staff attorney
- Provide administrative support from IPA staff assistants, county public Information staff, and other county agencies as needed

Independent Police Auditor

- The auditor should meet Board established job requirements
- The auditor would be a direct report to the Board
- The auditor should have full-time staff to include, at a minimum, a research assistant and administrative assistant

Public Safety Committee

- The Board Chairperson would appoint a Board member as chair of the PSC. The appointee would serve the prescribed rotational term.
- The PSC should meet with the Board in a public forum on a quarterly basis to keep the Board and community apprised of all agency endeavors for constructive review and input.
- The county administrator and deputy county administrator for public safety and judicial administration would assist the PSC Chair with all agenda items.

10 Effective Practice Recommendations for Loudoun County

The following eight observations and best practice recommendations are provided for the Board and the sheriff's office to facilitate further review and foster constructive dialog.

1. **Strategic Planning (4 Years):** Adopting a four-year strategic plan for the agency following every sheriff election will provide clarity in the communications within the LCSO and by and among the LCSO and its external partners and stakeholders. Since the sheriff is elected every four years, committing to writing the overarching principles to serving the community and improving public safety (as well as specific goals and agenda items for the term) will foster participation and constructive dialog, facilitate collaboration, and ensure meaningful review and evaluation.

Adopting an annual strategic plan for each bureau and identifying specific goals and tasks will allow all LCSO employees, including and especially non-sworn civilians, to participate in the overall agency effort and contribute to the delivery of services. The annual strategic plan will further document agency successes, progress, and improvements.

2. **Participate in County and Regional Planning:** Interviews with stakeholders from across the county revealed varying views as to whether the sheriff's office participates fully in the county's and the COG Region's planning and coordination efforts and initiatives. In an agency of this size, the sheriff cannot be expected to attend every meeting and serve as a member of every committee, advisory board, or task force. However, it is reasonable to expect that the sheriff designates a command-level individual(s) who can obtain full authority to speak on behalf of the sheriff's office as needed. The Board, county administration, and the LCSO all will benefit from the development of a list of annual assignments and in providing funding for additional positions to accommodate the workload, coordinate assignments, and provide regular reporting and updates.
3. **LCSO Liaison to Board and County Departments:** Similarly, the Board, county administration, and the LCSO will benefit from the LCSO designation of a chief of staff to coordinate and liaise between the LCSO and the Board. This would be one point of contact for Board business, who facilitates and manages the business pending between and among these public officials.
4. **Public Safety Committee:** Communities across the country are focusing intently on justice issues and rightly insist on a public dialog and forum for review and participation.

The Board of Supervisors, Criminal and Mental Health Court Judge(s), Clerk of Court, Commonwealth's Attorney, Public Defender, sheriff, police chief (if a county police department is created), and county's Social Services also would benefit from the development of a regular forum, formal process, and hearing space of a weekly or bi-weekly Loudoun County Public Safety Committee. This committee will provide an opportunity to review performance indicators, statistics, and reports, respond to public inquiry, invite comment, and publish and maintain a public agenda inviting consistent resident engagement.

5. Create an LCSO Community Advisory Board at the sheriff level to include a cross-section of interested residents, community, and business leaders from across the county, which includes all geographic areas and is diverse in scope. Create a district advisory board at the patrol district level for each commander for the same purposes at the agency level.
6. Form a Radio Users Advisory Board to include County Emergency Management, Fire & Rescue, state patrol, local police departments, Airport and Campus Police, and all other users of the system. Regular meetings of these stakeholders will ensure all stakeholders in the system have input in future expenditures, technology planning, and investments.
7. The mental health challenges that the LCSO is facing are system-wide issues and require a broad scope response. To achieve this response, the Board should establish a Mental Health Crisis Task Force. Loudoun County is currently engaged in a county-wide coordinated approach county administration, behavioral health, law enforcement, and emergency services/first responders and consultation with other counties in Health Planning Region 2 (Fairfax, Arlington, Prince William, and City of Alexandria). The Task Force would build upon this and charged with developing strategies at the local level and ensure that Loudoun County's concerns are expressed to both state officials and the community. The results of this task force will reduce the workload for LCSO deputies and, more importantly, follow national best practices by having qualified mental health professionals provide critical services instead of law enforcement. See discussion of mental health impact on workload in Section 8 of this report.
8. Mental health facility at the jail expansion site. Loudoun County stakeholders should consider investing in the construction and staffing of a collocated mental health facility adjacent to the jail to provide critical mental health services, county social services, and community-based services to the justice-involved and residents in need of services. Facilities that address critical mental health needs and provide gap services to residents have become the emerging best practice. Several counties, of all sizes, from across the

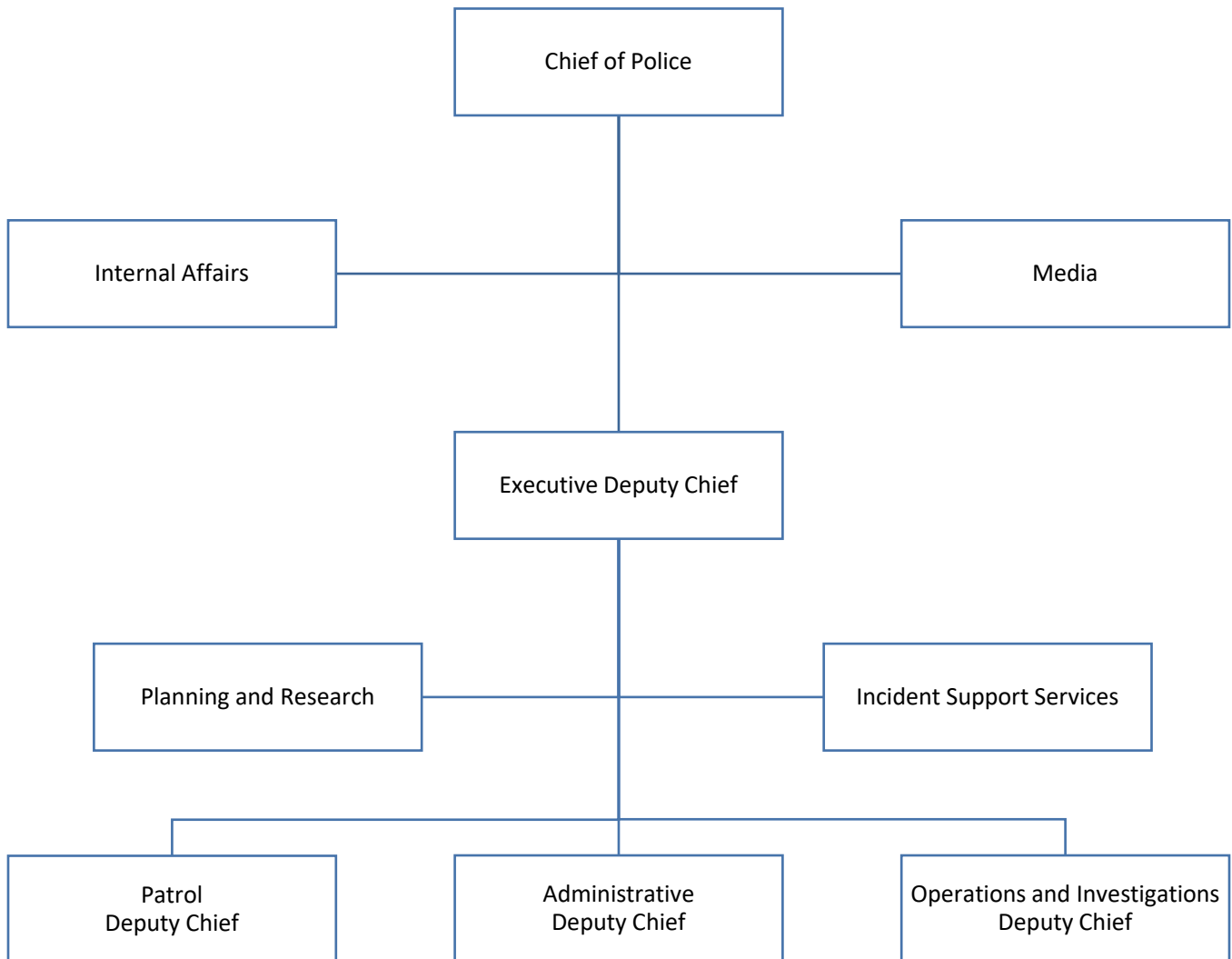
country have adopted this approach,¹²¹ with the convenience and efficiency of the operation of one facility to provide multiple solutions that may include:

- Secure mental health units for in-custody inmates,
- Drop-off evaluation sites for law enforcement (with 24 evaluation and 72-hour hold capacity),
- Walk-in services for residents in need of services,
- Probation and conditional release monitoring,
- County social services counseling
- Access and referrals to Community Service Providers

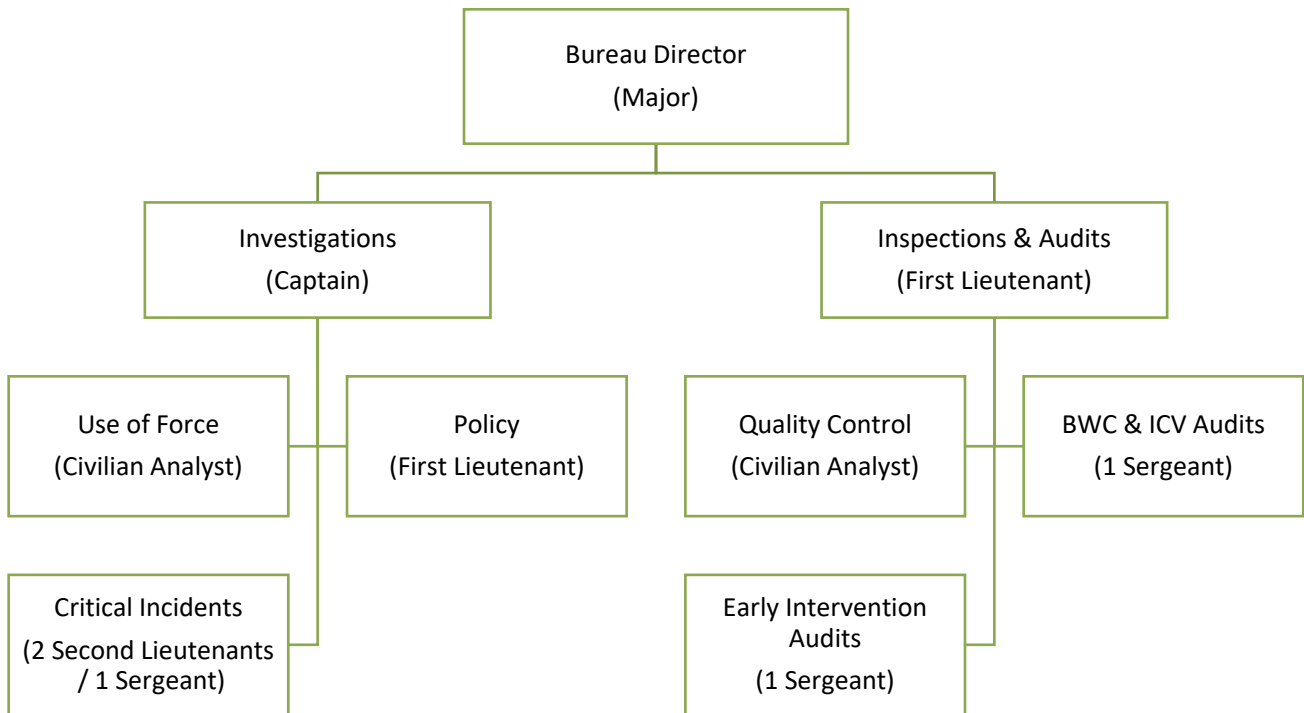
¹²¹ See, for example, the Baltimore Residential Treatment and Therapeutic Center ("RTTC") the Davisson County Sheriff's Office BAC, the Yavapai County Collocated Treatment Facility.

Appendix A: Loudoun County Police Department Organization Charts

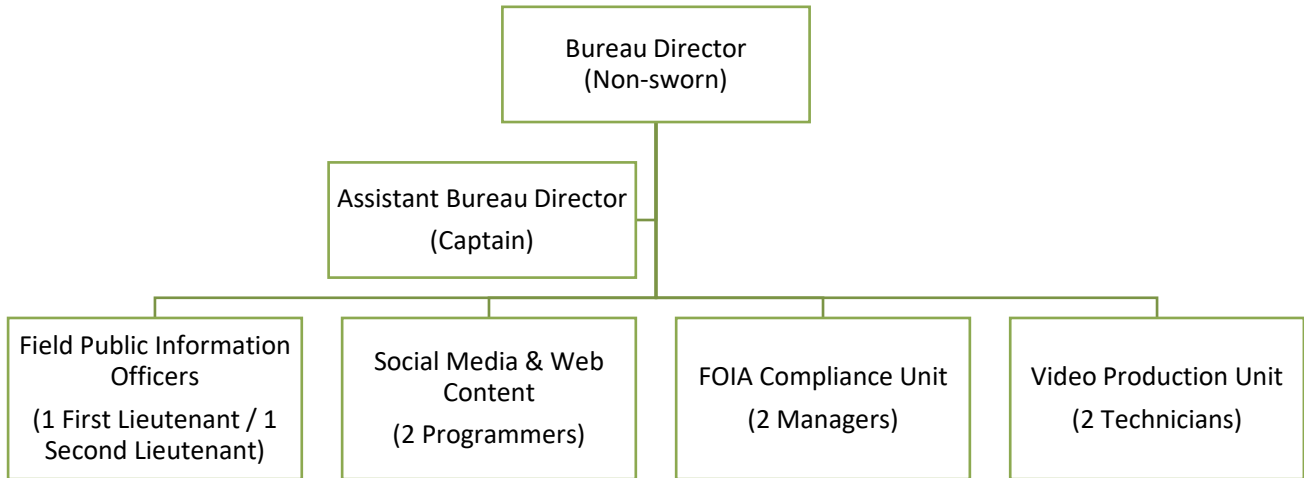
Proposed Loudoun County Police Department



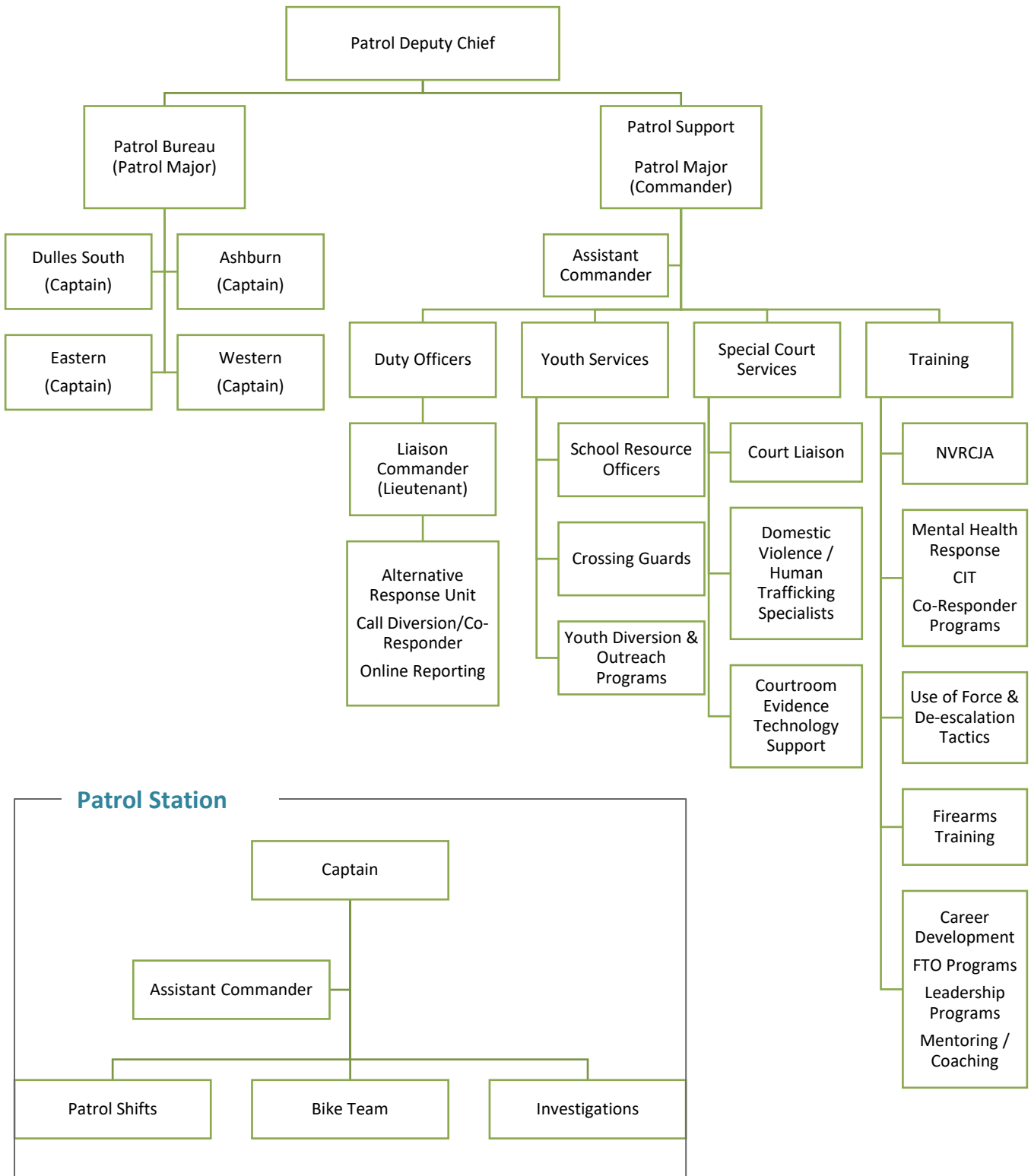
Internal Affairs Bureau



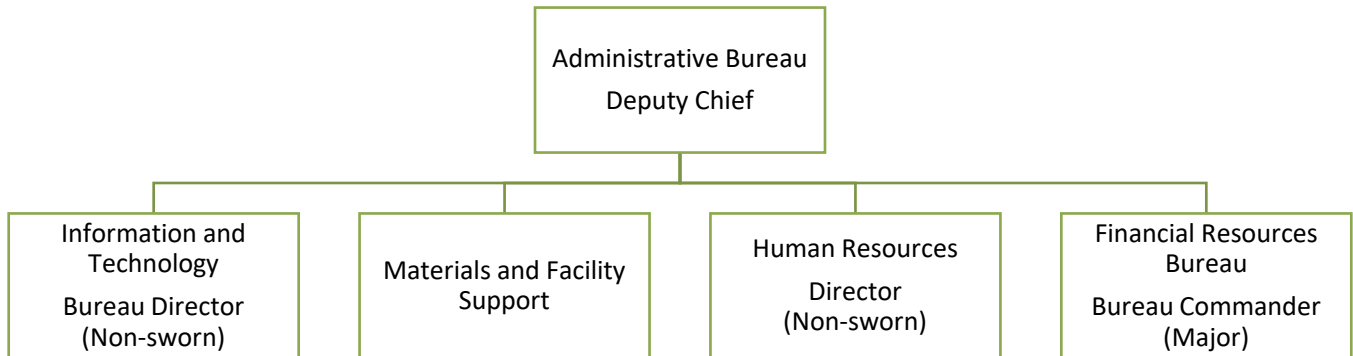
Media Relations Bureau



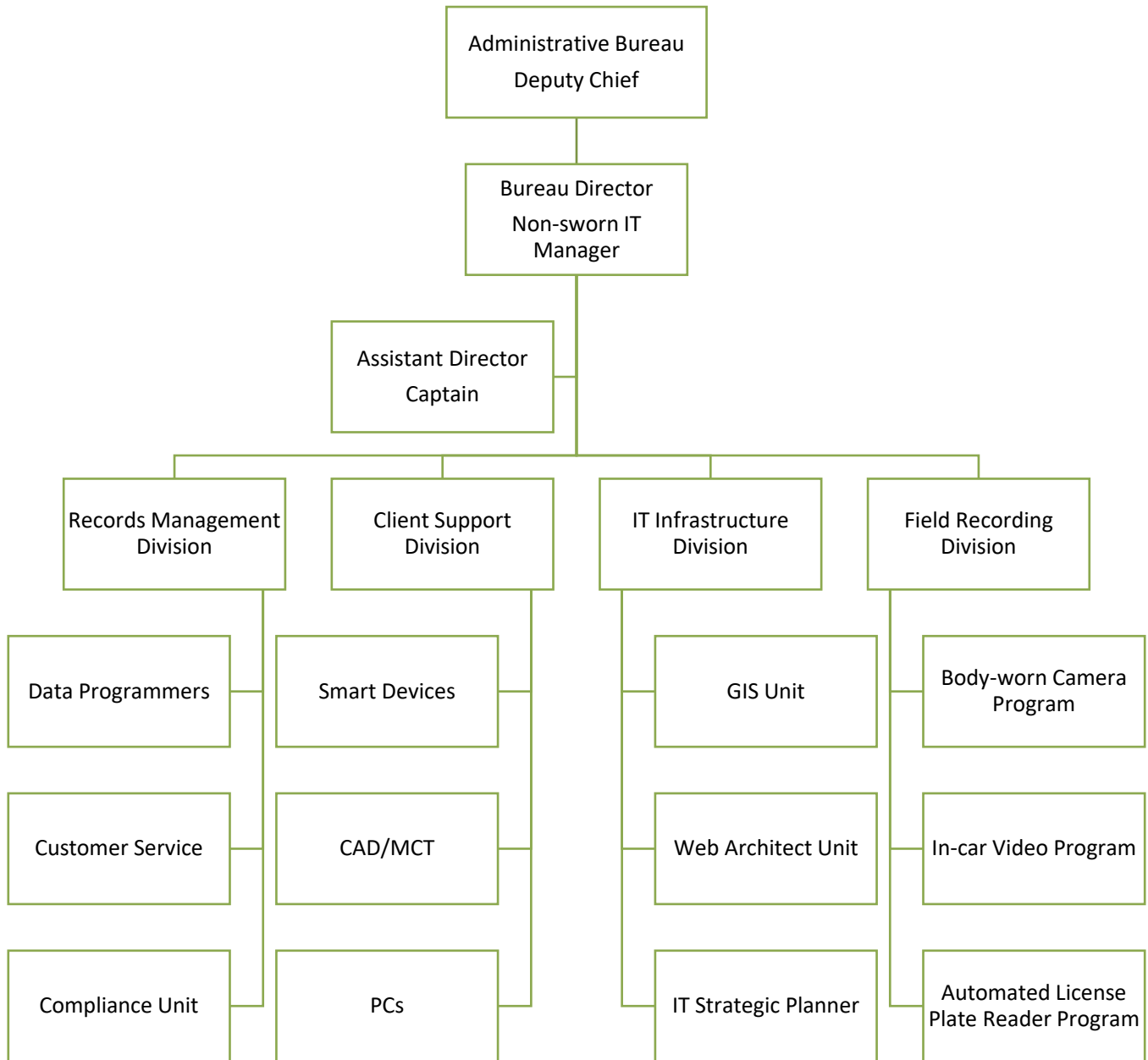
Patrol Bureau



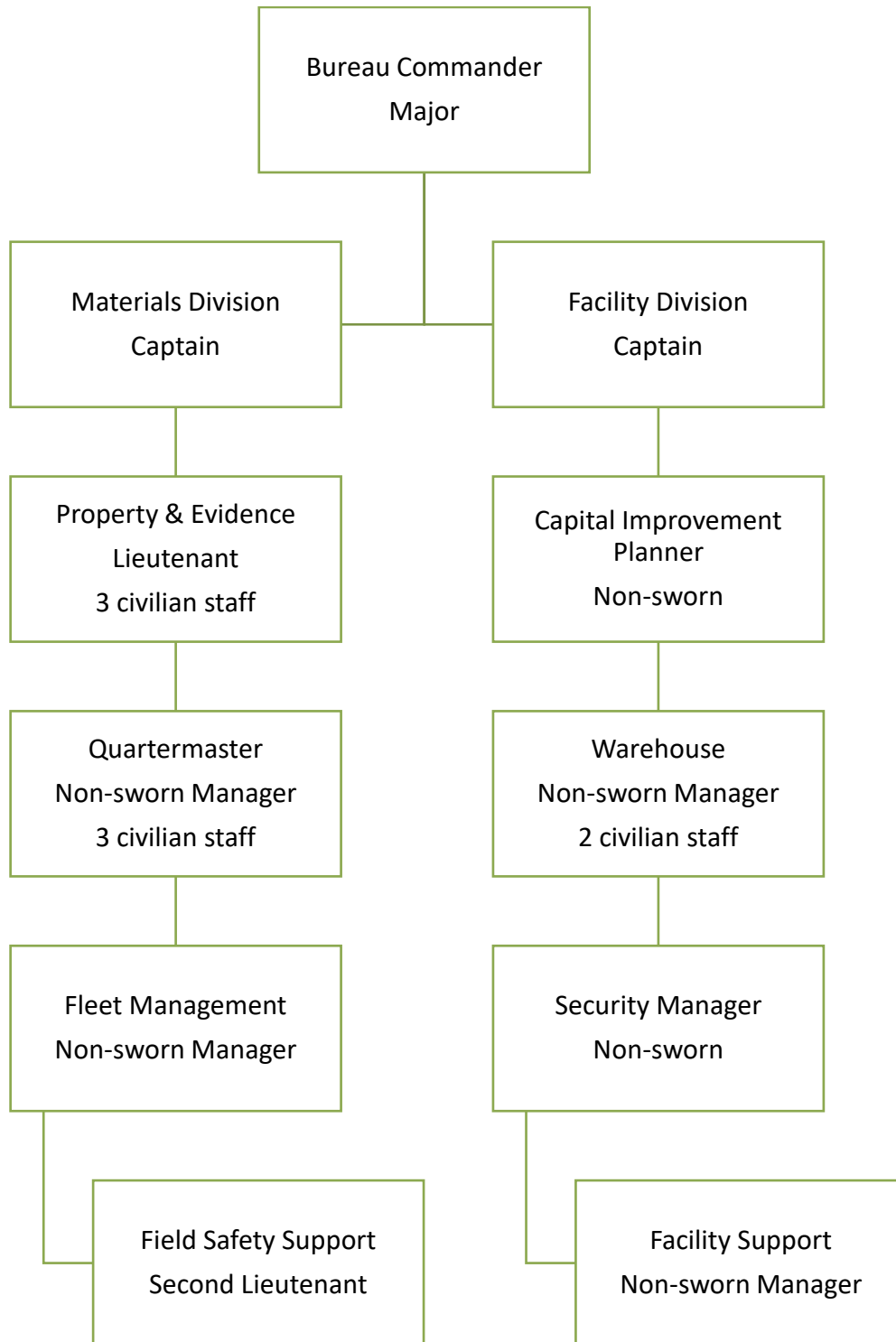
Administrative Bureau



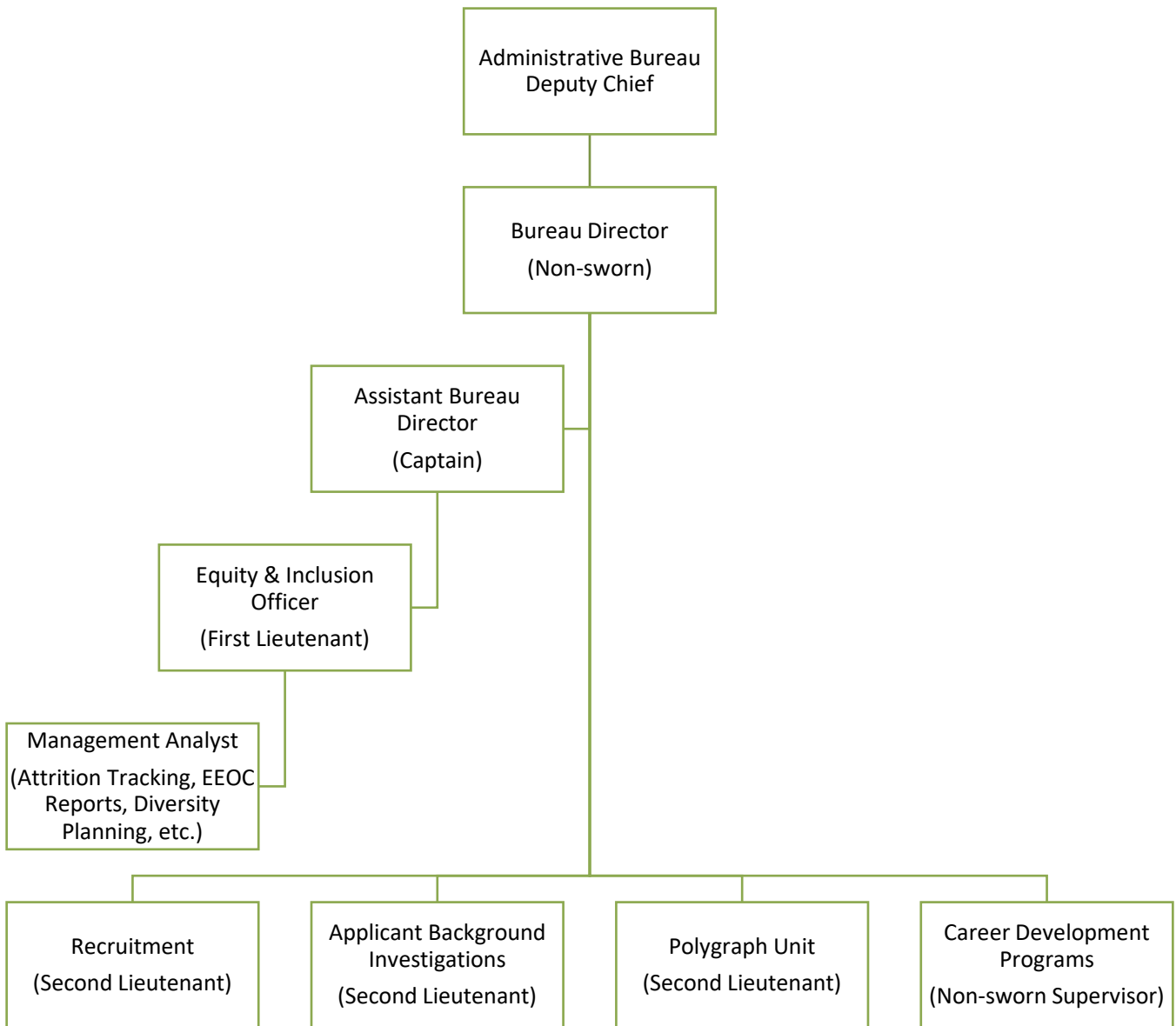
Administrative Bureau – Information and Technology Bureau



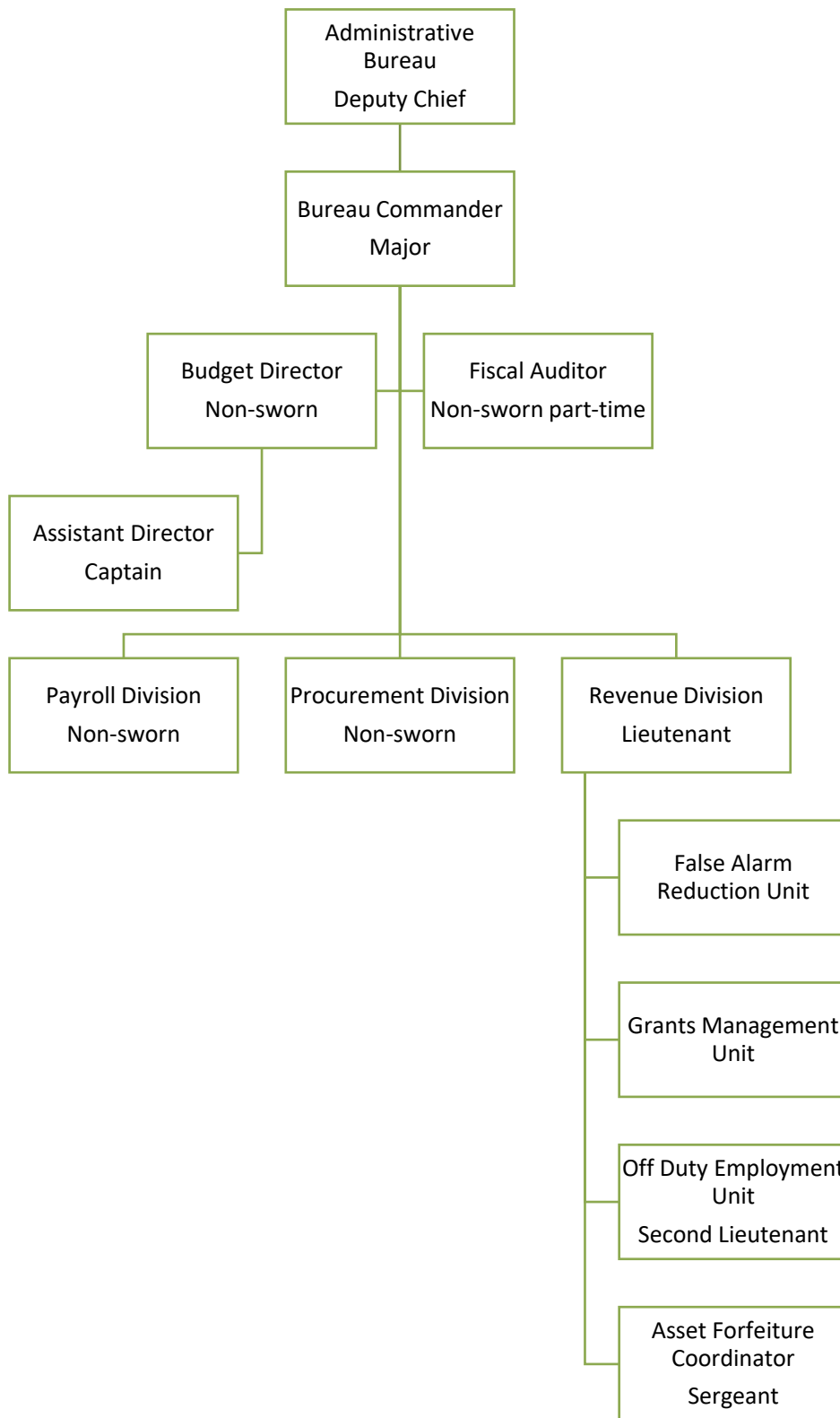
Administrative Bureau – Materials and Facilities Support



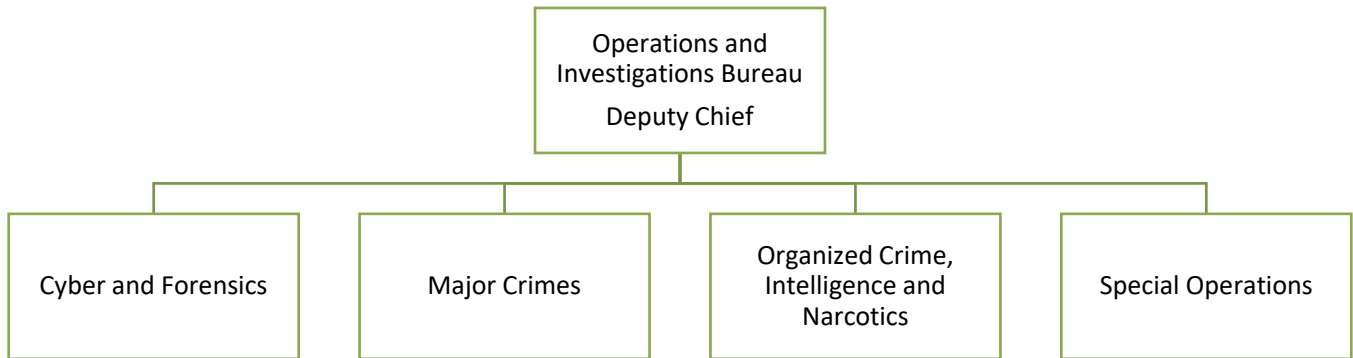
Administrative Bureau – Human Resources Bureau



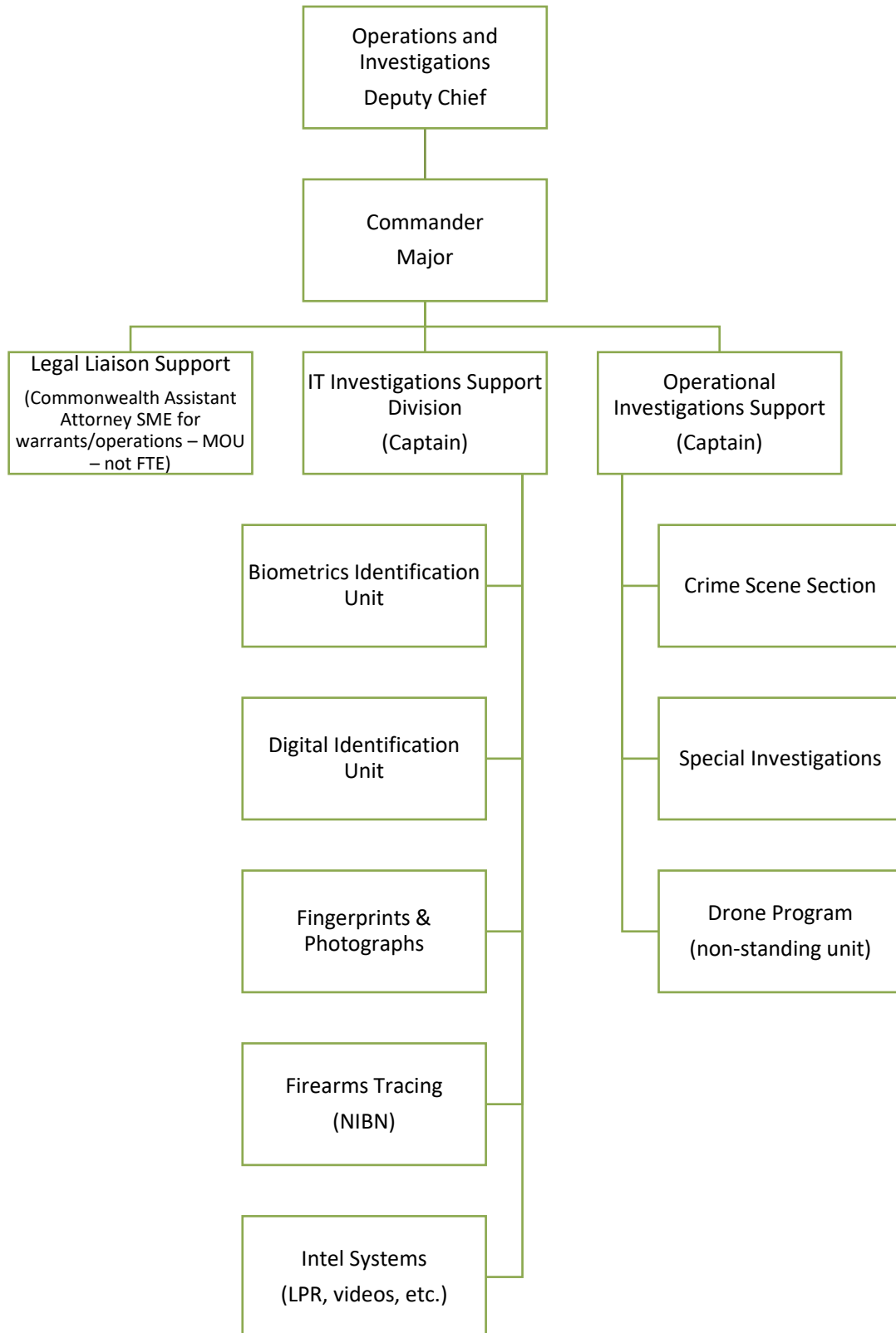
Administrative Bureau – Financial Resources Bureau



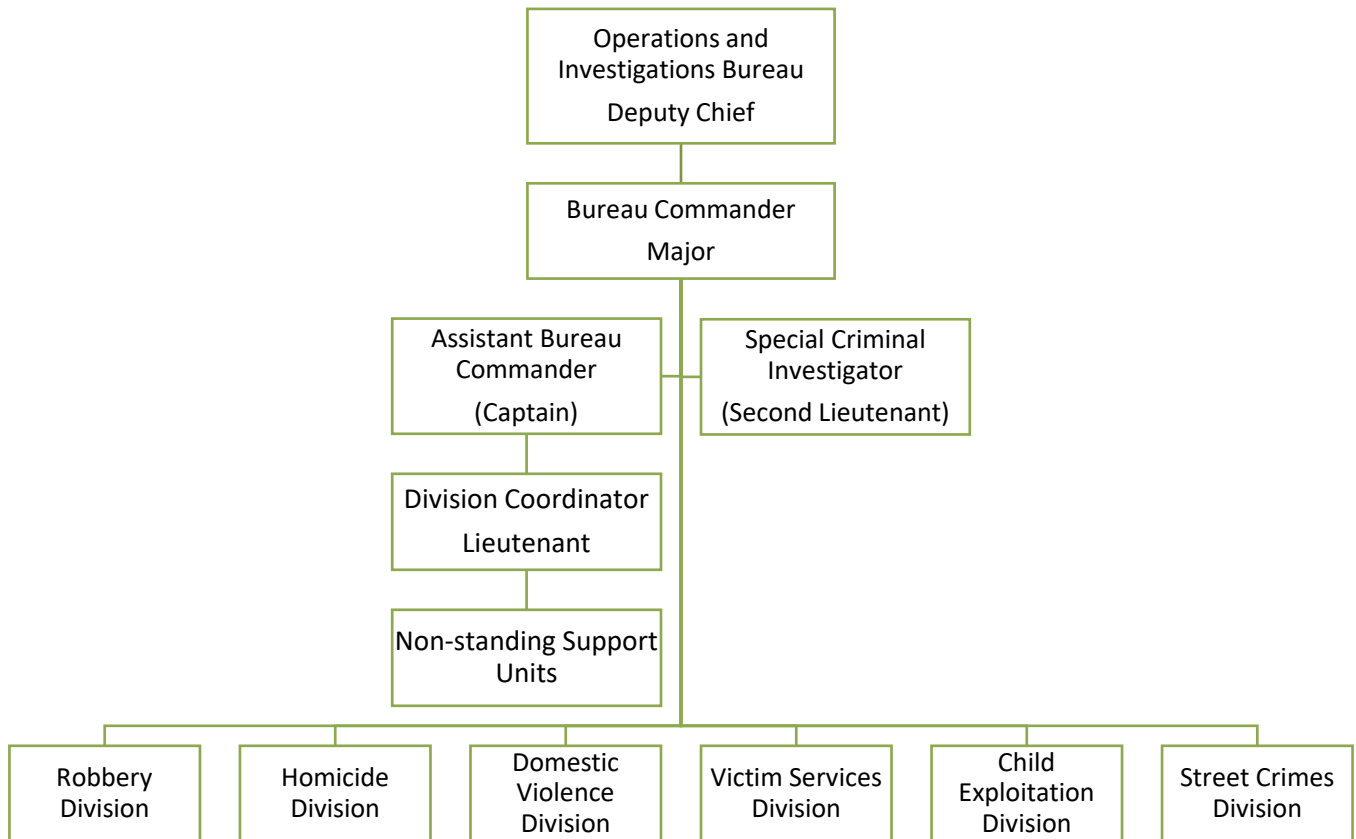
Operations and Investigations Bureau



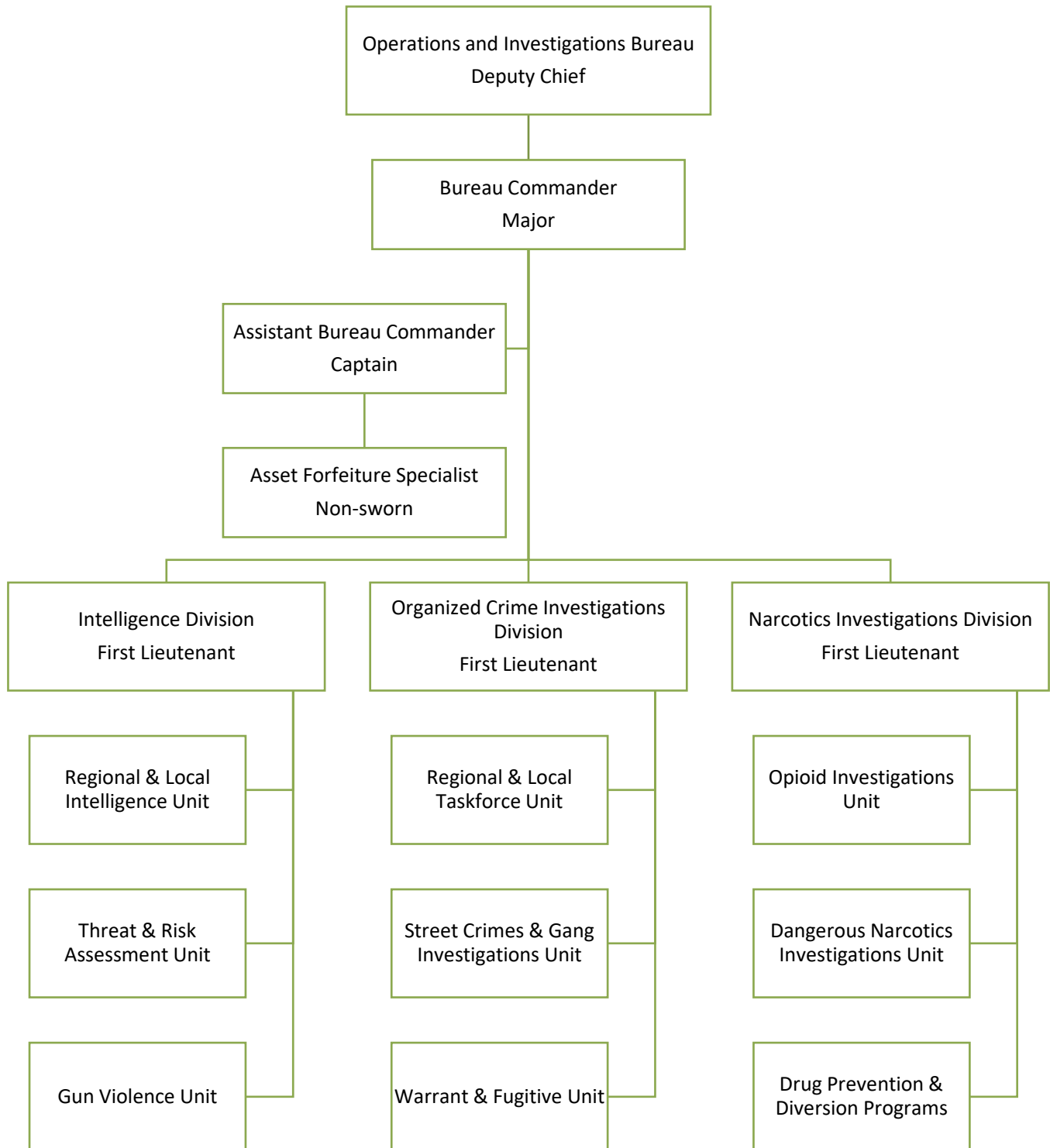
Operations and Investigations Bureau – Cyber and Forensics Bureau



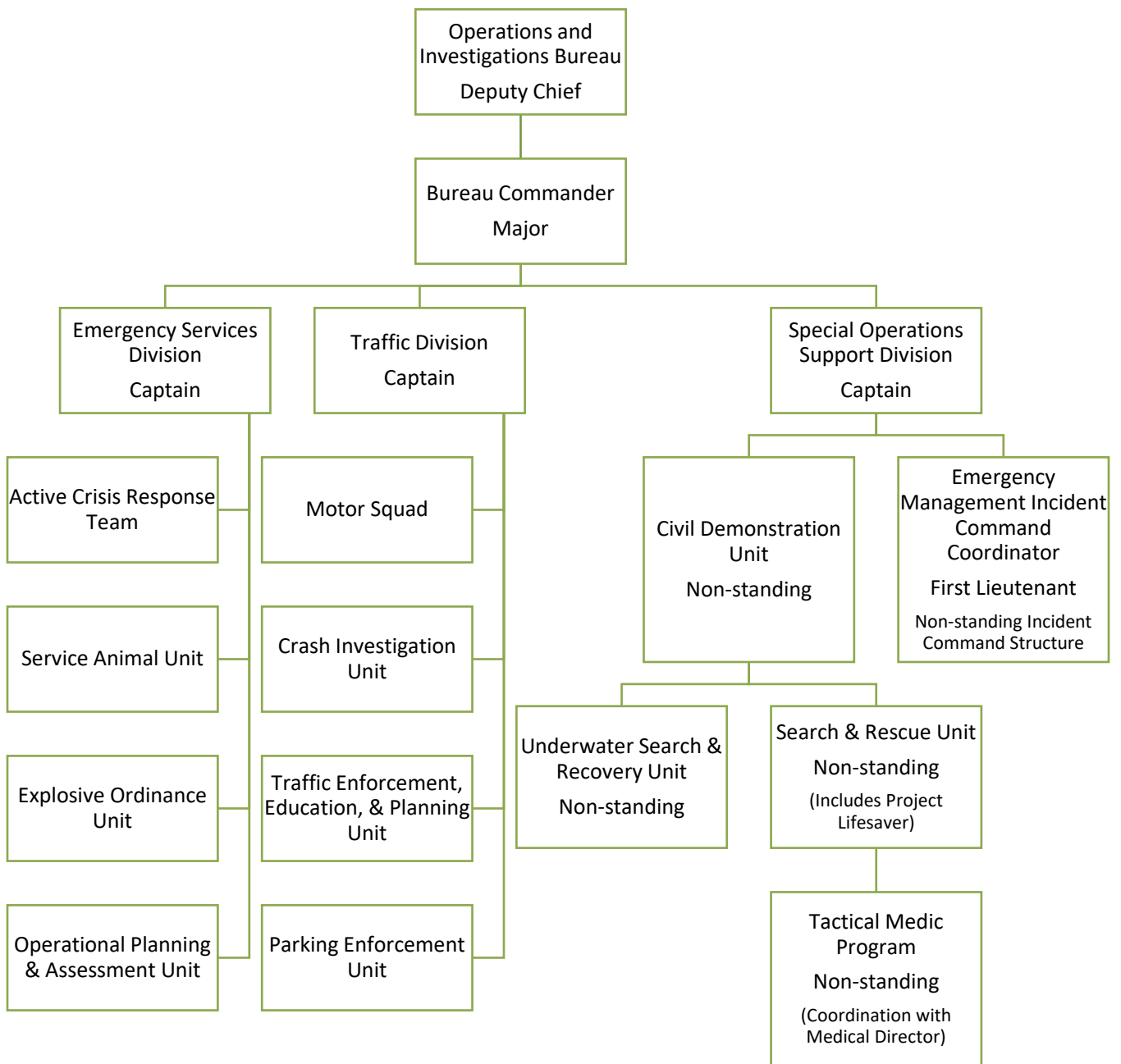
Operations and Investigations Bureau – Major Crimes Bureau



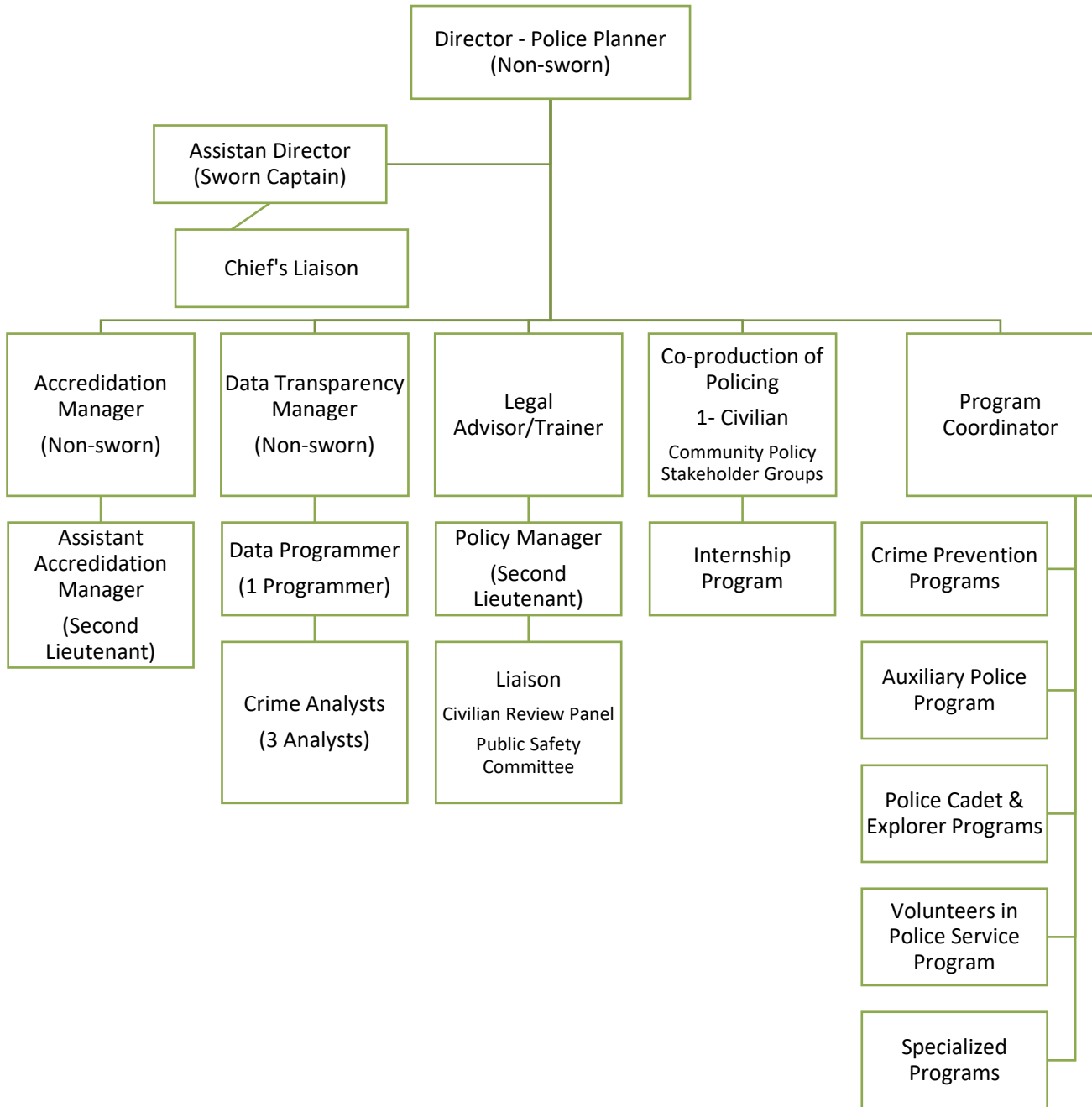
Operations and Investigations Bureau – Organized Crime, Intelligence, and Narcotics



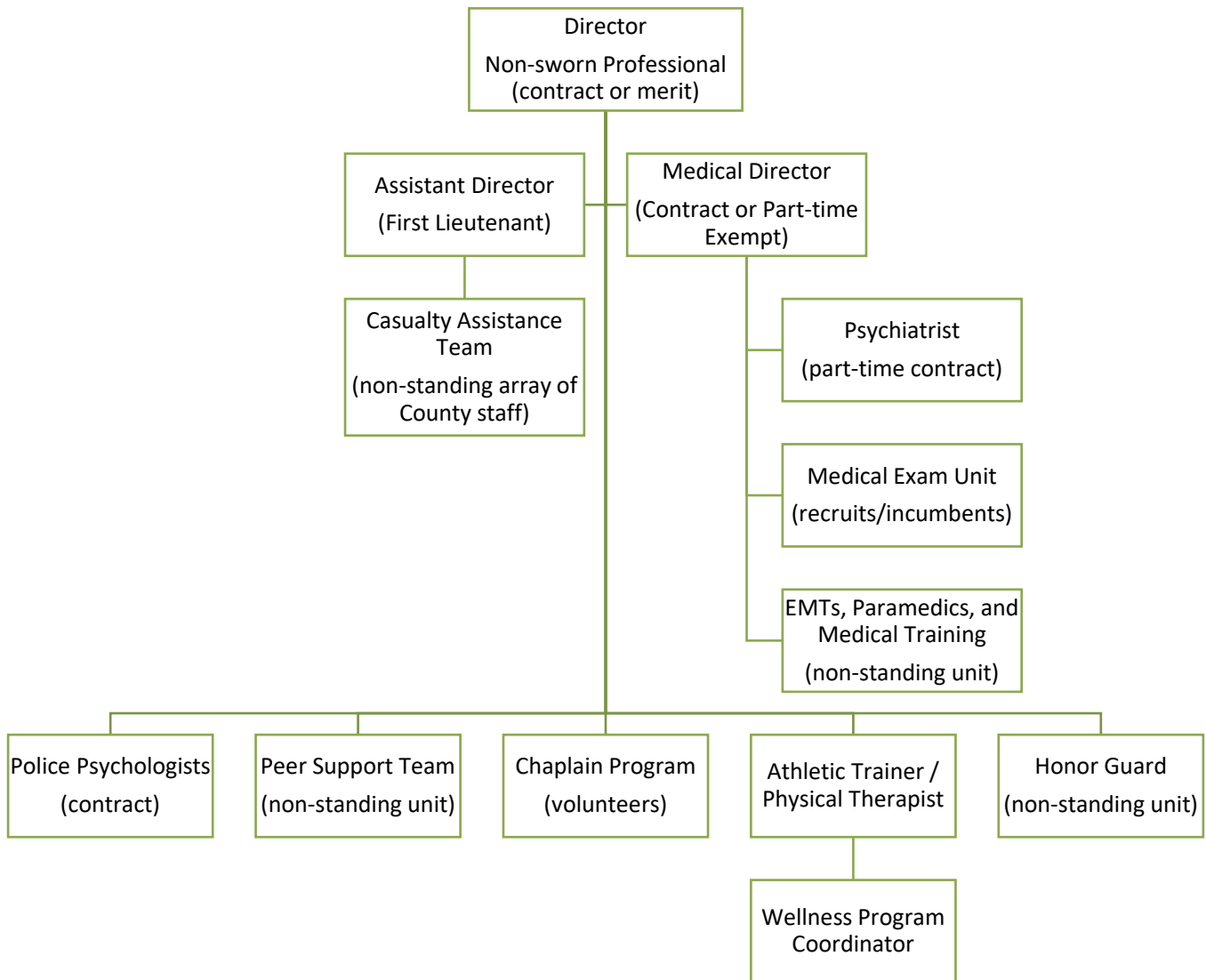
Operations and Investigations Bureau – Special Operations Bureau



Planning and Research Bureau



Incident Support Services

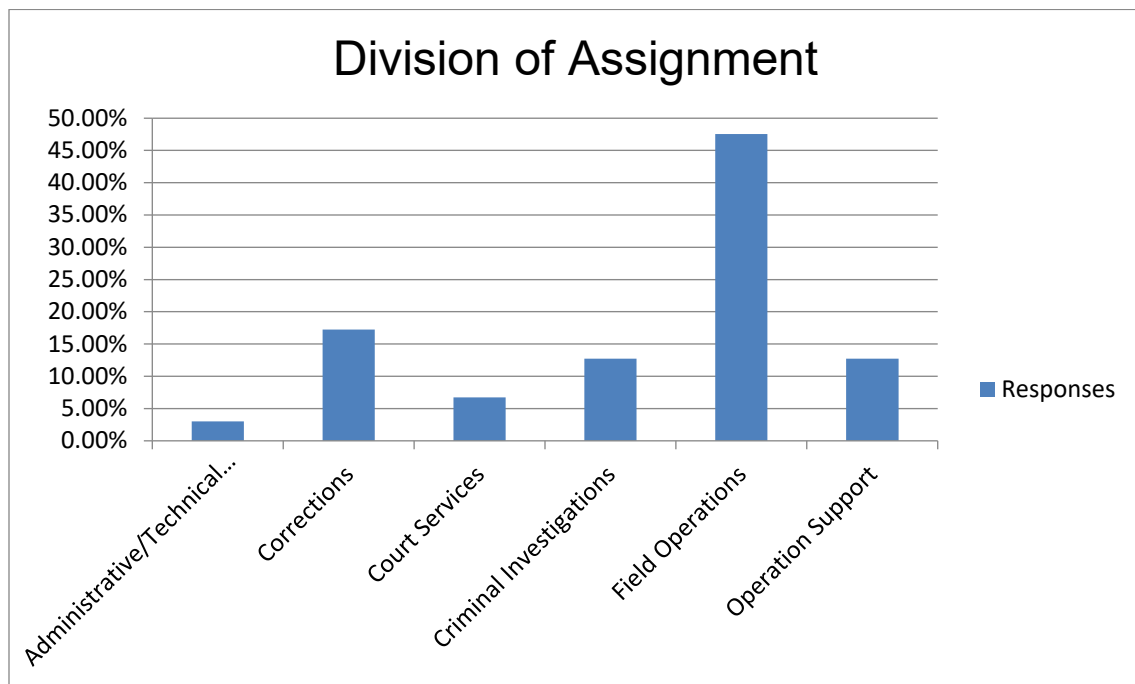


Appendix B: Summary Results LCSO Workforce Survey

As part of the assessment and to inform the different analyses conducted, a survey of the sworn workforce was conducted.

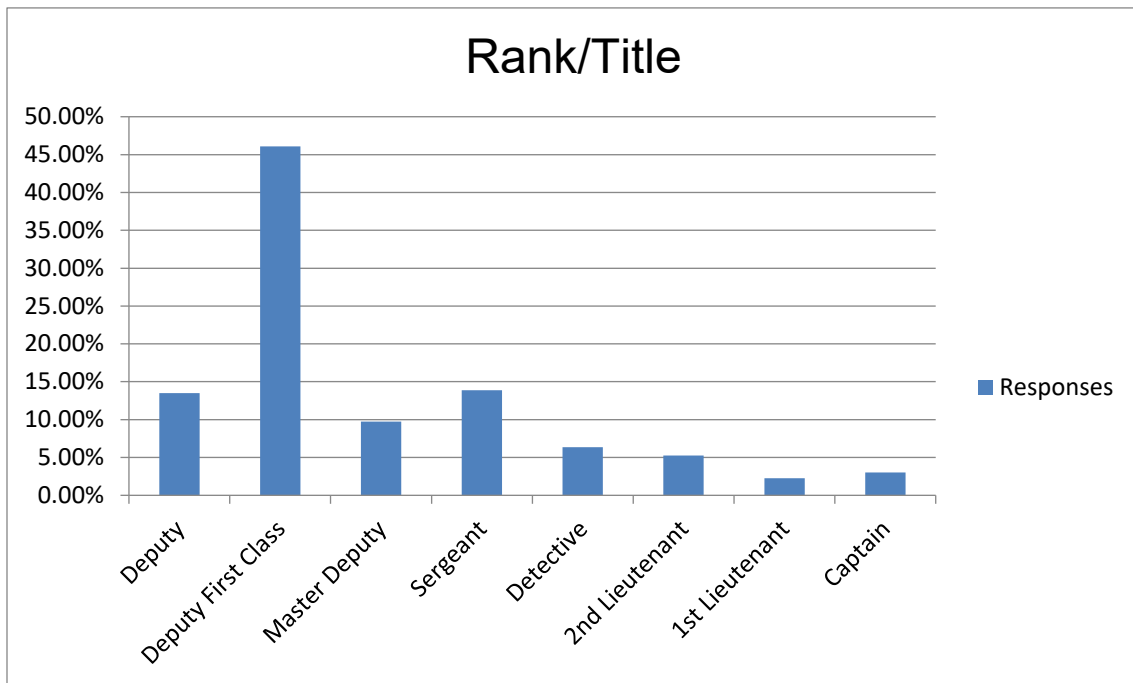
Division of Assignment

| Division of Assignment | Responses | |
|-----------------------------------|-----------------|------------|
| Administrative/Technical Services | 3.00% | 8 |
| Corrections | 17.23% | 46 |
| Court Services | 6.74% | 18 |
| Criminal Investigations | 12.73% | 34 |
| Field Operations | 47.57% | 127 |
| Operation Support | 12.73% | 34 |
| | Answered | 267 |



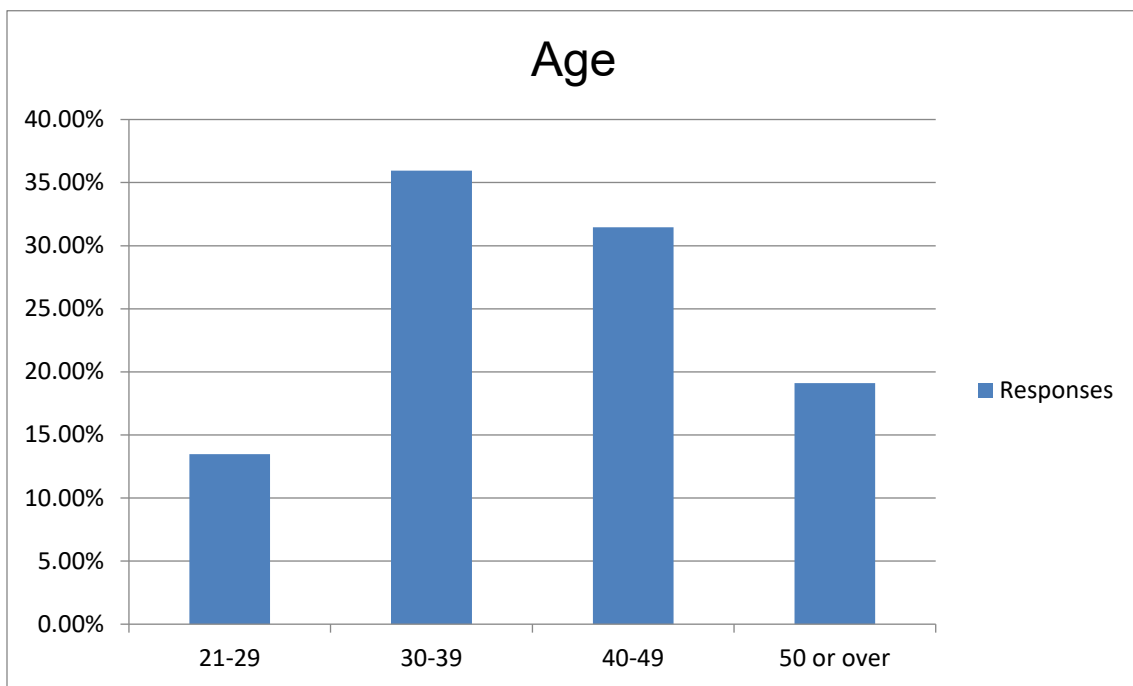
Rank/Title

| Rank/Title | Responses | |
|--------------------|-----------------|------------|
| Deputy | 13.48% | 36 |
| Deputy First Class | 46.07% | 123 |
| Master Deputy | 9.74% | 26 |
| Sergeant | 13.86% | 37 |
| Detective | 6.37% | 17 |
| 2nd Lieutenant | 5.24% | 14 |
| 1st Lieutenant | 2.25% | 6 |
| Captain | 3.00% | 8 |
| | Answered | 267 |



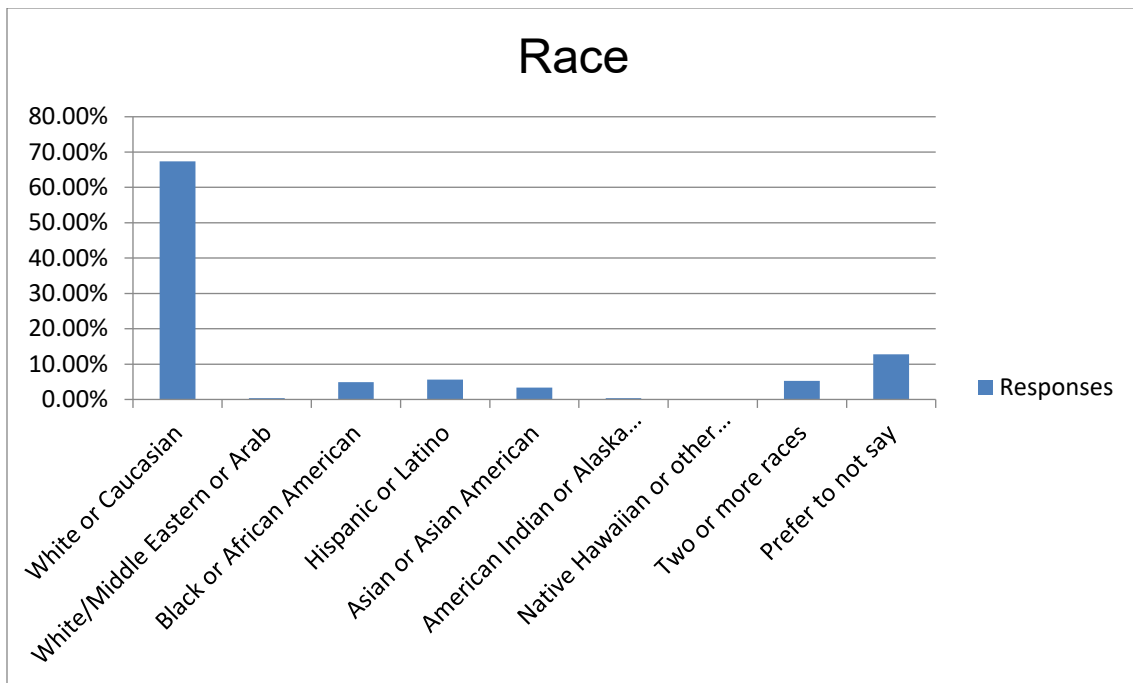
Age

| Age | Responses | |
|------------|-----------------|------------|
| 21-29 | 13.48% | 36 |
| 30-39 | 35.96% | 96 |
| 40-49 | 31.46% | 84 |
| 50 or over | 19.10% | 51 |
| | Answered | 267 |



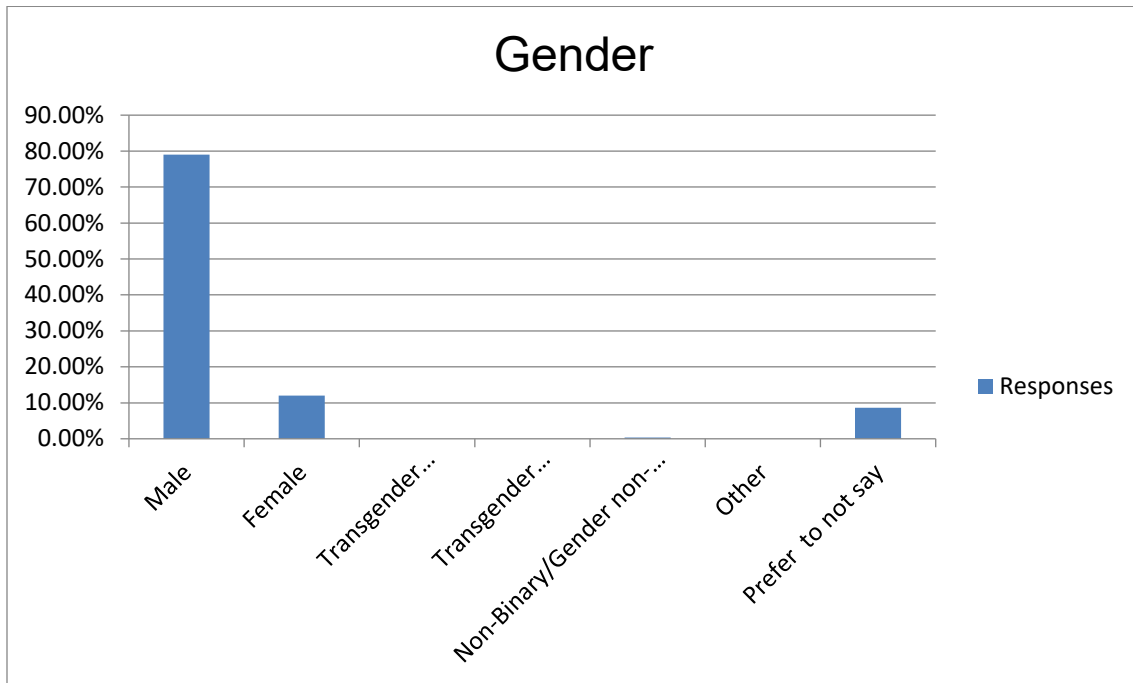
Race

| Answer Choices | Responses | |
|---|-----------------|------------|
| White or Caucasian | 67.42% | 180 |
| White/Middle Eastern or Arab | 0.37% | 1 |
| Black or African American | 4.87% | 13 |
| Hispanic or Latino | 5.62% | 15 |
| Asian or Asian American | 3.37% | 9 |
| American Indian or Alaska Native | 0.37% | 1 |
| Native Hawaiian or other Pacific Islander | 0.00% | 0 |
| Two or more races | 5.24% | 14 |
| Prefer to not say | 12.73% | 34 |
| | Answered | 267 |



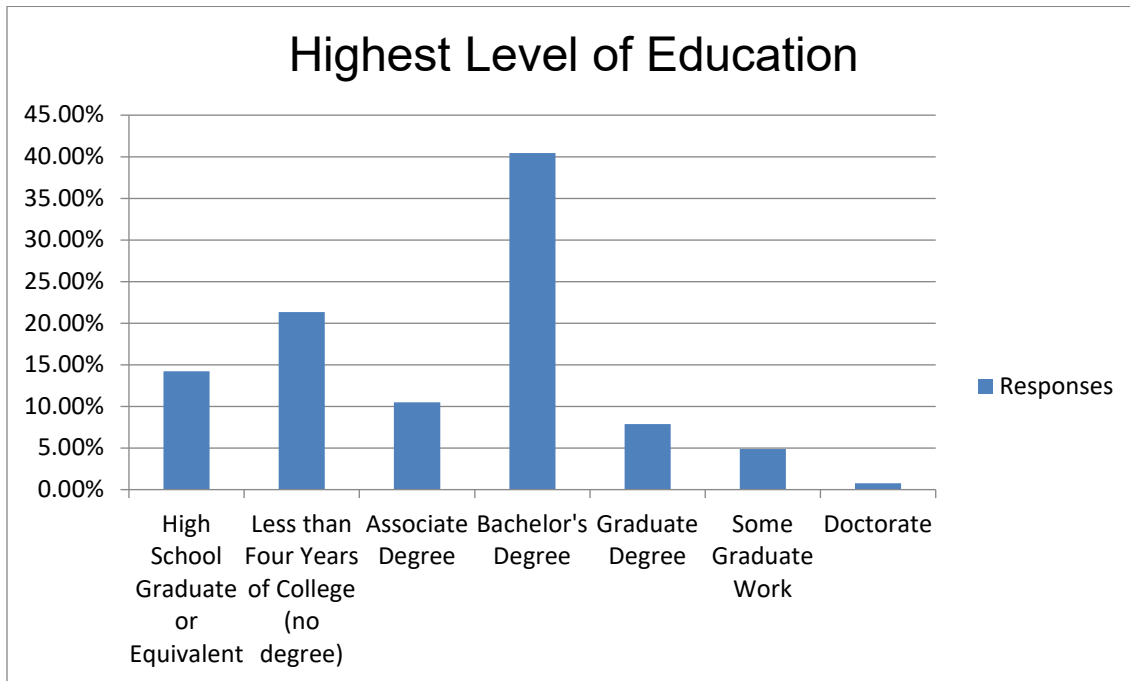
Gender

| Answer Choices | Responses | |
|-----------------------------------|-----------------|------------|
| Male | 79.03% | 211 |
| Female | 11.99% | 32 |
| Transgender Woman/Female/Feminine | 0.00% | 0 |
| Transgender Man/Male/Masculine | 0.00% | 0 |
| Non-Binary/Gender non-conforming | 0.37% | 1 |
| Other | 0.00% | 0 |
| Prefer to not say | 8.61% | 23 |
| | Answered | 267 |



Highest Level of Education

| Answer Choices | Responses | |
|---|-----------------|------------|
| High School Graduate or Equivalent | 14.23% | 38 |
| Less than Four Years of College (no degree) | 21.35% | 57 |
| Associate Degree | 10.49% | 28 |
| Bachelor's Degree | 40.45% | 108 |
| Graduate Degree | 7.87% | 21 |
| Some Graduate Work | 4.87% | 13 |
| Doctorate | 0.75% | 2 |
| | Answered | 267 |



Strategic Planning (N=238)

| | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|--|-------------------|----------|----------------------------|--------|----------------|
| The agency has clearly identified goals and objectives. | 1.68% | 4.20% | 7.56% | 37.39% | 49.16% |
| I understand the goals and objectives of the agency. | 1.68% | 3.36% | 8.40% | 36.97% | 49.58% |
| The unit/shift to which I am assigned has clearly identified goals and objectives. | 3.78% | 5.04% | 9.24% | 31.93% | 50.00% |
| There is adequate follow-through of agency goals and objectives. | 4.20% | 5.88% | 13.03% | 36.55% | 40.34% |

Communications Internal (N=238)

| | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|---|-------------------|----------|----------------------------|--------|----------------|
| Written communications are clear and succinct. | 3.36% | 7.14% | 12.61% | 39.50% | 37.39% |
| The method of agency communications is appropriate. | 5.04% | 7.14% | 11.76% | 39.50% | 36.55% |
| My supervisor communicates clearly to employees. | 4.20% | 3.78% | 5.46% | 36.97% | 49.58% |
| I can freely communicate opinions, concerns, and suggestions without fear of negative consequences. | 13.87% | 9.24% | 16.39% | 28.57% | 31.93% |

Ethics (N=238)

| | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|---|-------------------|----------|----------------------------|--------|----------------|
| Deputies within the department are highly ethical. | 2.94% | 2.52% | 7.14% | 42.86% | 44.54% |
| If I observed a deputy or staff member acting inappropriately, I would be inclined to report this to my supervisor. | 2.10% | 2.10% | 5.04% | 29.41% | 61.34% |
| When the agency learns that an employee has engaged in inappropriate behavior, that person is held accountable, regardless of rank or position. | 7.98% | 10.92% | 14.29% | 27.31% | 39.50% |

Training and Mentoring (N=238)

| | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|---|-------------------|----------|----------------------------|--------|----------------|
| Employees obtain the training they request when justified and available. | 1.68% | 4.20% | 8.82% | 42.86% | 42.44% |
| The process used to select personnel for training is fair. | 3.78% | 5.04% | 12.61% | 40.34% | 38.24% |
| I received sufficient training and mentoring for my current assignment/position. | 2.52% | 4.20% | 9.24% | 44.12% | 39.92% |
| Training and mentoring within the agency are sufficient to develop the skills needed for future assignments and/or promotion. | 5.04% | 8.40% | 13.45% | 36.97% | 36.13% |

Diversity (N=238)

| | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|---|-------------------|----------|----------------------------|--------|----------------|
| I see visible evidence that diversity is valued in the agency. | 4.20% | 5.04% | 9.24% | 32.35% | 49.16% |
| The agency expresses clearly its commitment to valuing diversity. | 3.78% | 3.36% | 11.76% | 35.71% | 45.38% |
| Employees are welcome and accepted regardless of race, color, religion, national origin, age, sex, or sexual orientation. | 2.10% | 2.52% | 5.88% | 31.51% | 57.98% |

Performance Appraisals (N=238)

| | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|--|-------------------|----------|----------------------------|--------|----------------|
| I receive accurate ongoing feedback concerning my job performance (between formal appraisals). | 3.78% | 4.20% | 10.50% | 43.70% | 37.82% |
| Performance appraisals are fair and accurate. | 3.78% | 6.30% | 12.61% | 38.24% | 39.08% |
| The agency addresses employee job performance problems effectively. | 5.88% | 9.24% | 18.07% | 34.87% | 31.93% |
| The agency recognizes and rewards outstanding performance. | 4.62% | 10.92% | 16.81% | 31.51% | 36.13% |

Community Engagement (N=181)

| | Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|---|-------------------|----------|----------------------------|--------|----------------|
| I have sufficient time within my regular shift/work schedule to engage in meaningful community-based policing activities. | 2.19% | 6.56% | 13.66% | 44.81% | 32.79% |
| The agency has clear expectations for officers to engage in community policing activities. | 3.83% | 2.19% | 16.39% | 43.72% | 33.88% |

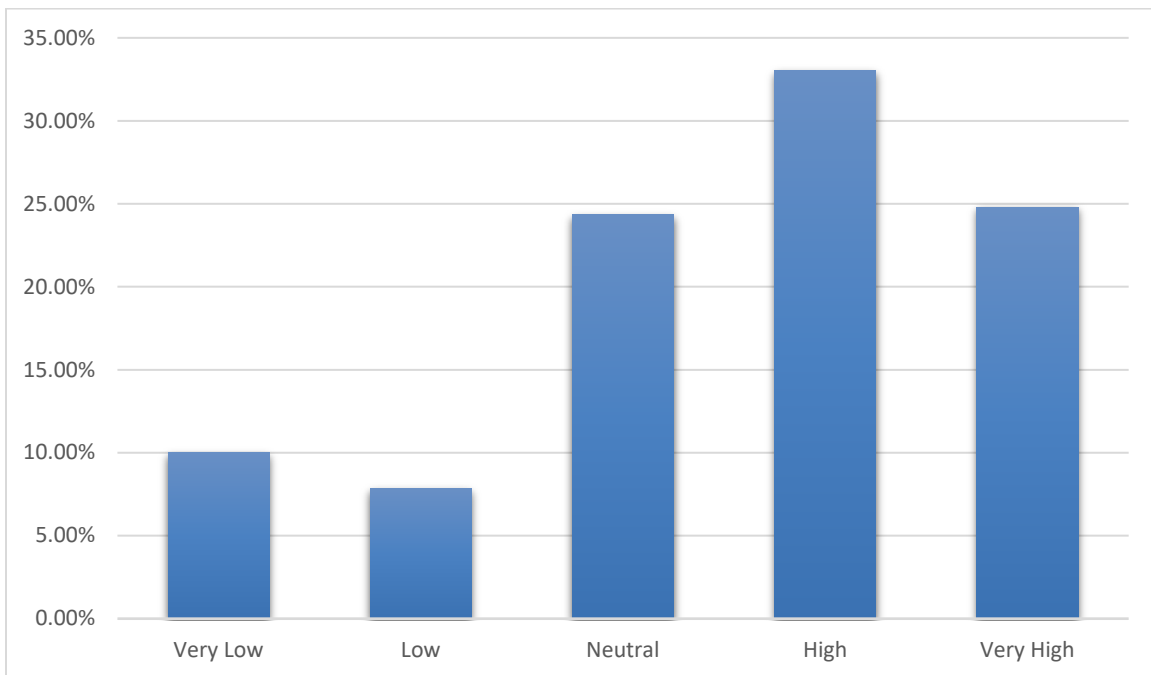
This question applied only to those who indicated that community engagement was a regular part of their job. 181 of 238 respondents (76.05%) answered that their role included community engagement.

Top Five Community Policing (N=168)

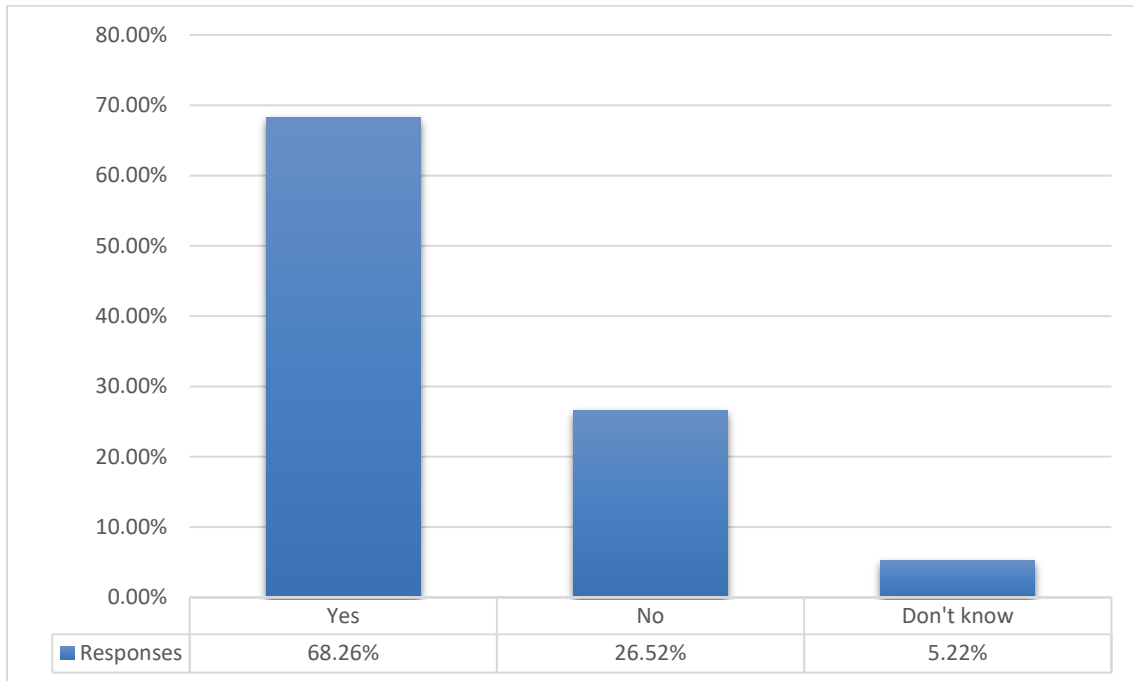
Respondents were asked to rank what they thought the focus of LCSO's current community policing strategy should be from a list of ten options.

1. Increase the level of involvement by neighborhood residents
2. Increase police presence in the neighborhood
3. Increase the level of collaboration with other town departments or agencies
4. Focus on more nuisance and minor crime-related problems
5. Improve communication among department personnel

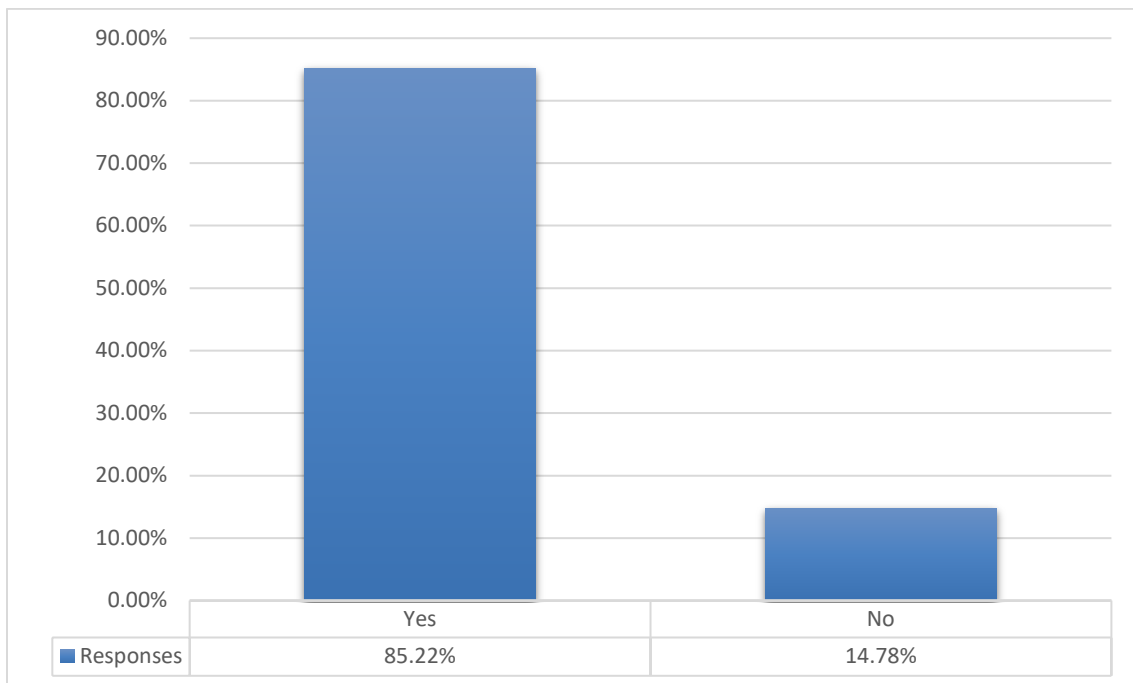
How would you rate your current morale (job motivation) level? (N=230)



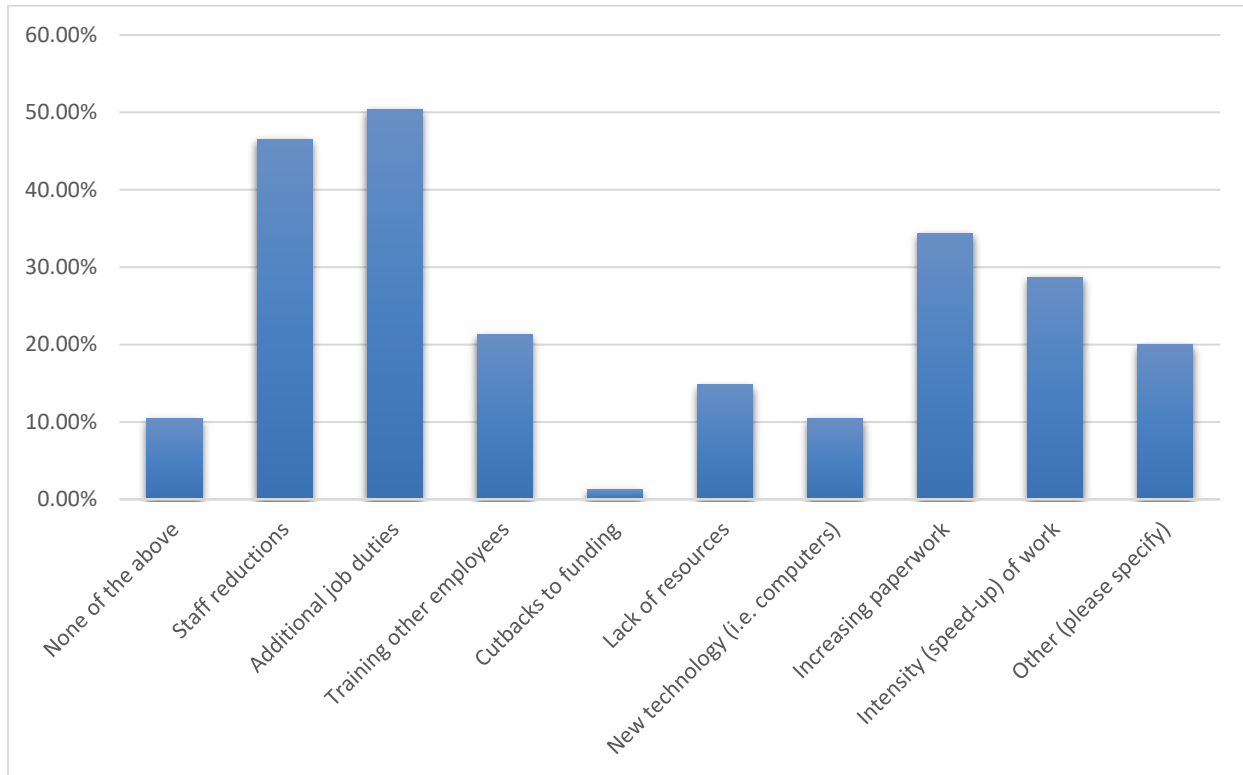
Has there been an increase in your workload in the past year? (N=230)



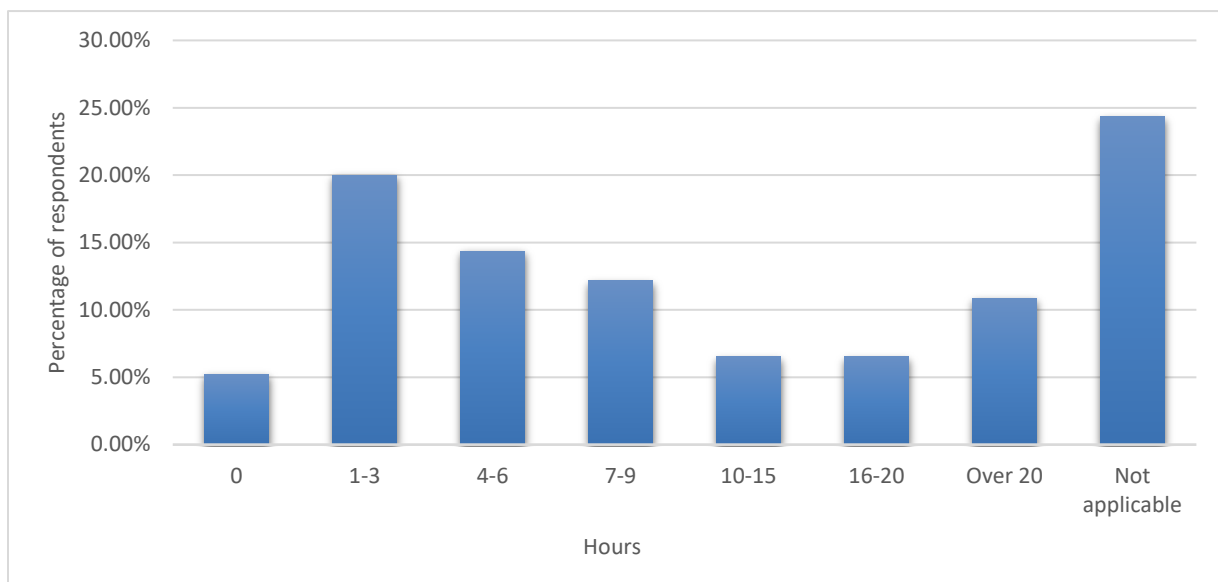
In the past year, did you ever go to work early or stay late outside of your regular or normal working hours in order to keep up with your workload? (N=230)



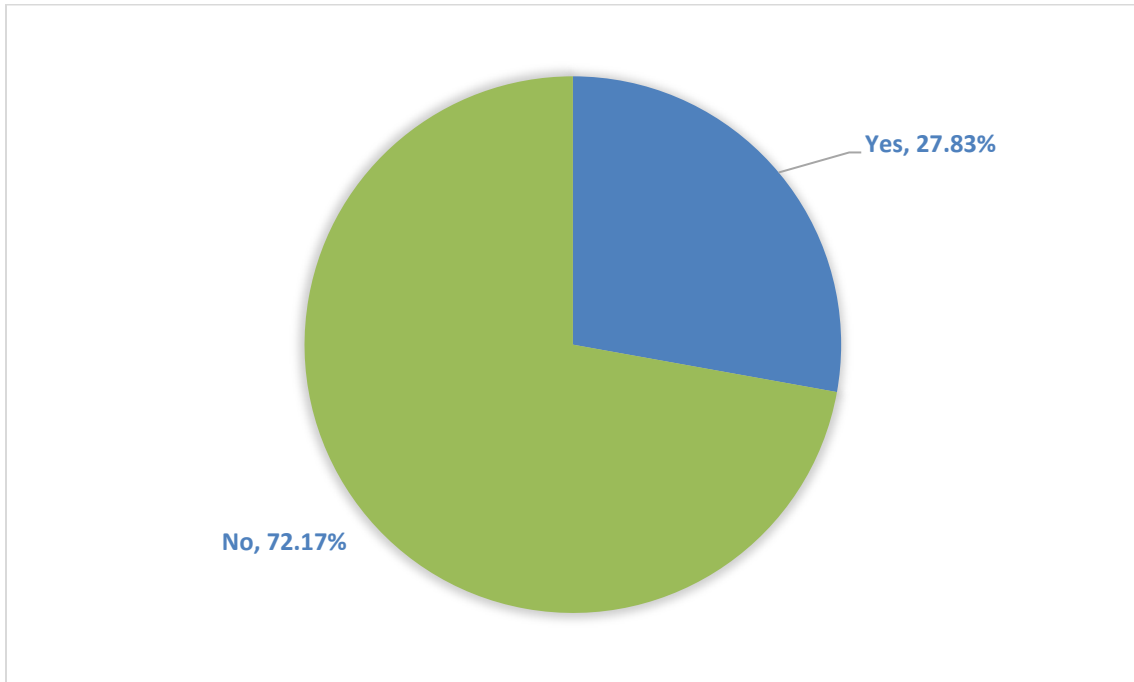
Please indicate if any of the following have contributed to your workload. (N=230)



During the course of an average work week, how many hours do you spend engaged in preventative or proactive police work (i.e. making information contacts with residents, identifying potential problems)? (N=230)



**Do you think the current zones are too large for meaningful community engagement?
(N=230)**



Appendix C: Supplemental Information



Fiscal Policy

County of Loudoun, Virginia
Board of Supervisors
Fiscal Policy
Originally adopted December 17, 1984
Revised through September 15, 2020

Statement of Policy Purpose

The County of Loudoun (the “County”) and its governing body, the Board of Supervisors (the “Board”), is responsible to the County’s citizens to carefully account for all public funds, to manage County finances wisely and to plan for the adequate funding of services desired by the public, including the provision and maintenance of facilities. Promoting fiscal integrity is an important priority in the County. The following policies and guidelines establish the framework for the County’s overall fiscal planning and management.

These polices will be reviewed and, if necessary, updated annually. Any substantive changes will be presented to the Board for approval.

Policy Goals

This fiscal policy is a statement of the guidelines and goals for the financial management practices of the County. Effective fiscal policy:

- Contributes significantly to the County’s ability to insulate itself from fiscal crisis,
- Attempts to maintain a diversified and stable economic base,
- Enhances short- and long-term financial integrity by helping to achieve the highest credit and bond ratings possible,
- Maintains continuous communication about the County’s financial condition with bond and credit rating institutions and the overall financial community,
- Promotes long-term financial stability by establishing clear and consistent guidelines,
- Directs attention to the total financial picture of the County rather than single issue areas,
- Promotes the view of linking long-term financial planning with day-to-day operations,
- Provides the Board and the citizens a framework for measuring the fiscal impact of government services against established fiscal parameters and guidelines, and
- Maintains effective internal controls designed to safeguard the County’s assets, reduce loss, promote efficient and effective operations, and keep accurate financial records.

To these ends, the following 12 fiscal policy goal statements are presented.

1. Operating Budget Policies

- The operating budget is intended to implement the Board’s service priorities and vision for the County.
- The budget is a plan for raising and allocating resources. The objective is to enable service delivery with allocated resources. Services must be delivered to the residents, business owners, and other customers that will meet real needs as efficiently and effectively as possible.



Fiscal Policy

- The County's goal is to pay for all recurring expenditures with recurring revenues and to use nonrecurring revenues for nonrecurring expenditures.
- It is important that a positive unassigned fund balance in the general fund and a positive cash balance in all governmental funds be shown at the end of each fiscal year.
- When deficits appear to be forthcoming within a fiscal year, spending during the fiscal year must be reduced sufficiently to create a positive unassigned fund balance and a positive cash balance.
- Where possible, the County will integrate performance measurements and productivity indicators within the budget. This integration should be done in an effort to continue to improve the productivity of County programs and employees. Productivity analysis is a dynamic part of County Administration.
- The budget must be structured so that the Board and the general public can readily establish the relationship between revenues, expenditures, and the achievement of service objectives. The budget document will include data that illustrates the link and impact of resource investments on service delivery.
- The individual agency budget submissions must be prepared with the basic assumption that the Board will always attempt to minimize the local tax burden.
- The County will avoid tax anticipation borrowing and maintain adequate fiscal reserves in accordance with the fund balance policy.
- The County will annually seek the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award.

Budgetary review by the Board will focus on the following basic concepts

Staff Levels

The number and distribution of staff will be reviewed and evaluated in the context of service delivery. The Board will seek to limit staff increases to areas where the Board has prioritized program growth and program performance measures and indicators support the addition of staff; and to reduce staff, if needed, where this can be done without adversely affecting approved service levels. When feasible and cost effective, contracting out services will be considered.

Capital Construction

Emphasis will be placed upon continued reliance on a viable level of "pay-as-you-go" capital construction to fulfill needs in a Board-approved comprehensive Capital Improvement Program. The Board will attempt to fund not less than 10% of the total cost of the Capital Improvement Program through the use of local tax funding, fund balance, and other recurring local revenue sources.

Program Expansions

Proposed program expansions above existing service levels must be submitted as resource requests requiring detailed justification. Every proposed service level enhancement will be scrutinized on the basis of its relationship to the health, safety, and welfare of the community to include analysis of long-term fiscal impacts. Emphasis will be placed upon areas identified as high priorities by the Board.

New Programs

Proposed new programs must also be submitted as resource requests requiring detailed justification. New programs will be evaluated on the same basis as program expansion to include analysis of long-term fiscal impacts. Emphasis will be placed upon areas identified as high priorities by the Board.



Fiscal Policy

Existing Service Costs

The justification for base budget program costs will be a major factor during budget development. Program service delivery effectiveness will be represented by performance measures. Those measures will be regularly reviewed.

Fiscal Guidelines

- The level of proposed investment in services will be evaluated within the context of the Board's vision for service delivery and established programmatic priorities. In all program areas, administrative overhead costs should be kept to the absolute minimum.
- Functions should be reviewed in an effort toward reducing duplicative activities within the County government and the autonomous and semiautonomous agencies, which receive appropriations from the governmental funds.
- The budget will provide for adequate maintenance of capital, plant, and equipment and for its orderly replacement.
- The County will maintain budgetary controls at the Department level within the general fund, although more restrictive controls may be instituted as fiscal circumstances, management prerogatives, and programmatic requirements dictate.
- The County will also maintain control between major categories of expenditures (i.e., personnel, operations and maintenance, capital outlay, etc.).
- The County Administrator will provide quarterly reporting to the Board on the County's financial condition and debt position.
- The County will, at a minimum, every four years, produce a report (Program Review) describing major programs including mandates (federal, state, local or other), budgetary information, staffing, and other details, and will provide this report for public review.
- The County will remain current in payments to its employee and volunteer retirement systems.
- The County will endeavor to comply in all material respects with both funded and unfunded mandates.
- Capital projects in the County government and schools will be reviewed and reconciled annually as part of the fiscal year-end closing process. A capital project will be capitalized in the financial records of the County in accordance with Generally Accepted Accounting Principles. A capital project will be closed within two years after project completion (opening or occupancy) unless mitigating circumstances exist. Subsequent funding after project closing will be addressed as part of the annual appropriation process for the County or Schools or through a separate Board action.
- The County will annually update a long range (three-five year) financial forecasting system which will include projections of revenues, expenditures and future costs and financing of capital improvements, and other projects that are included in the capital budget and the operating budget.
- The County will annually update a financial trend monitoring system which will examine fiscal trends from the preceding five years (trends such as revenues and expenditures per capita and adjusted for inflation, liquidity, operating deficits, etc.). Where possible, trend indicators will be developed and tracked for specific elements of the County's fiscal policy.
- The County will regularly update a series of financial and planning tools to evaluate long-term land use, fiscal, and demographic issues. Those tools include: 20-year growth projections, Capital Intensity Factor (CIF), Program Review, and the 10-Year Capital Needs Assessment (CNA) document. The review and update cycle of these tools is as follows:

**Fiscal Policy**

| Tool | Review Process (All subject to adoption by Board of Supervisors) | Update Cycle |
|--|---|---|
| Capital Intensity Factor | Fiscal Impact Committee | Minimally every 4 years, preferably every 2 years |
| 20-Year Growth Projections | Fiscal Impact Committee | Biannual Update of Inputs |
| 10-Year Capital Needs Assessment (CNA) | Fiscal Impact Committee, Planning Commission | Every 4 years, on 2nd year of Board Term |

2. Debt Management Policies

- The County will not fund current operations from the proceeds of borrowed funds.
- The County will confine long-term borrowing and capital leases to capital improvements, projects, or equipment that cannot be financed from current financial resources.
- The County will analyze market conditions prior to debt issuance to determine the most advantageous average life. When financing capital improvements, or other projects or equipment, the County will repay the debt within a period not to exceed the expected useful life of the project or equipment. Debt related to equipment ancillary to a construction project may be amortized over a period less than that of the primary project.
- The County will not utilize swaps (i.e., interest rate exchange agreements) as a method of financing debt until such time as the Board of Supervisors adopts a specific policy on swap practices.
- The County will attempt to repay debt using a level principal repayment structure.
- The County may, at its discretion, on a project-by-project basis, subject to a public hearing of the Board on the proposed financing if applicable, use alternative financing mechanisms to the issuance of general obligation (GO) bonds that require a referendum. Instances where the use of alternative financing mechanisms may be appropriate include but are not limited to projects that have a short useful life and are replaced frequently, such as information technology software, equipment, and vehicles; projects that are supported by a revenue source such as the Landfill; instances where the timing of voter referendum is not feasible to begin a project; and for purchase and/or construction of government administration buildings. These alternative financing mechanisms include but are not limited to: the Virginia Public School Authority (VPSA), the Virginia Resources Authority (VRA), revenue bonds (for revenue supported activities), lease revenue bonds, certificates of participation, letters of credit, commercial paper, private placements, lease purchase agreements, master lease agreement, additional appropriation-based financing or other financing mechanisms that may be created. The policy is to use debt financing in general for total project costs of a minimum of \$200,000 and above.
- The County will explore the cost effectiveness of issuing refunding bonds when market conditions are such that a minimum of 3% net present value savings in debt service payments will be achieved unless circumstances exist that creates additional benefits to the County such as the elimination of burdensome covenants.
- The County may assist other governmental agencies and volunteer fire and rescue companies within the geographic boundaries of the County through a revolving loan program. These loans will bear interest at the AAA/Aaa tax exempt rate at the time the loan is approved by the Board. Such loans will be made from and remain an asset of the General Fund.
- The County will annually calculate target debt ratios and include those ratios in the review of financial trends.
- The County's debt capacity shall be maintained within the following primary goals:
 - o Annual debt issuance guideline will be set at \$250 million beginning with FY 2022 through FY 2024, and \$260 million for FY 2025, to be reviewed by the Board in FY 2025.



Fiscal Policy

- o Net debt as a percentage of estimated market value of taxable property should not exceed 3.0%.
- o Net debt per capita as a percentage of income per capita should not exceed 8.0%.
- o Debt service expenditures as a percentage of governmental fund expenditures should not exceed 10%.
- Ten-year debt payout ratio should be above 60%.
- The annual debt issuance guideline encompasses all traditional County infrastructure projects (e.g., public safety facilities, schools, libraries, equipment, transportation, etc.). Not included in the annual debt issuance calculations are issuances for projects supported by a specific revenue source, purchase of assets demonstrated to produce net present value savings, major economic development/regional partnership projects (e.g., rail), Community Development Authorities and Special Assessment Districts, etc. When appropriate, these debt offerings will be factored into the overall debt ratios and financial condition of the County.
- The County recognizes the importance of considering overlapping debt in analyzing its overall financial condition. The County will analyze the impact of overlapping debt, both existing and proposed, in compliance with Section 11 of this policy. When considering the impact of existing and proposed overlapping debt, staff will conduct a detailed analysis to evaluate effects of any existing and proposed overlapping debt on taxpayers.
- The County shall comply with all U.S. Internal Revenue Service rules and regulations regarding issuance of tax-exempt debt, including arbitrage rebate requirements for bonded indebtedness and with all Securities and Exchange Commission requirements for continuing disclosure of the County's financial condition as well as all applicable Municipal Securities Rulemaking Board requirements.
- The County shall comply with all requirements of the Public Finance Act as set forth in Title 15.2, Chapter 26 of the Code of Virginia and with any other legal requirements regarding the issuance of bonds or its debt issuing authorities.

3. Revenue Policies

- The County will maintain and monitor a diversified and stable revenue structure to shelter it from short-run fluctuations in any one revenue source.
- The County will estimate its annual revenues by an objective, analytical process.
- The County will develop, and annually update, an Indirect Cost Allocation Plan to document overhead costs for all County agencies to aid in the recovery of indirect costs incurred by the County to support and administer Federal and State grant programs and to provide indirect costs information for a County-wide user fee study.
- The County, where possible, will institute user fees and charges for specialized programs and services in the County. Rates will be established to recover operational as well as overhead or indirect costs and capital or debt service costs. Fees will be regularly reviewed and updated and where applicable, determine if pre-established recovery goals are being met.
- The County will follow an aggressive policy of collecting tax revenues. The annual level of uncollected current property taxes should not exceed 3% unless caused by conditions beyond the control of the County.
- The County should routinely identify intergovernmental aid funding possibilities. However, before applying for or accepting intergovernmental aid, the County will assess the merits of a particular program as if it were funded with local tax dollars. Local tax dollars will not be used to make up for losses of intergovernmental aid without first reviewing the program and its merits as a resource request. Therefore:
 - o All grant applications, prior to submission, must be approved by the County Administrator or designee upon recommendation by the Budget Office.
 - o Grants may be accepted only by the Board.
 - o No grant will be accepted that will incur management and reporting costs greater than the grant amount.



Fiscal Policy

- The County will accrue and designate all land use valuation rollback resulting from a granted rezoning in the Capital Project Fund. These funds are to be dedicated for projects within the impacted subarea of development unless the Board, after considering current fiscal conditions, approves an alternative designation of the funds.

4. Non-Tax Accounts Receivable Policies

- The County will use proper internal controls to protect its non-tax accounts receivable reflecting amounts owed the County from people, firms, and other governmental entities.
- The County will record receivables in a timely manner and provide for appropriate collection methods.
- All non-tax accounts unpaid after one year must be written off, if deemed uncollectible unless otherwise provided for under law or by written agreement.

5. Investment Policies

- The County will maintain an investment policy based on the GFOA Model Investment Policy and the amended and adopted Investment Policy of the Treasurer, which was last amended in December 2015 by the County's Finance Board.
- The County will conduct an analysis of cash flow needs on an annual basis. Disbursements, collections, and deposits of all funds will be scheduled to ensure maximum cash availability and investment potential.
- The County will, where permitted by law, pool cash from its various funds for investment purposes.
- The County will invest County revenue to maximize the rate of return while preserving the safety of the principal at all times. The prudent person rule shall apply in investing of all County funds.
- The County will regularly review contractual, consolidated banking services.
- The County will invest proceeds from general obligation bonds with an emphasis on minimizing any arbitrage rebate liability.

6. Accounting, Auditing, and Financial Reporting Policies

- The County will establish and maintain a high standard of accounting practices in conformance with uniform financial reporting in Virginia and Generally Accepted Accounting Principles (GAAP) for governmental entities as promulgated by the Governmental Accounting Standards Board (GASB).
- The County's financial accounting system will maintain records on a basis consistent with accepted standards for local government accounting (according to GASB).
- The County's annual financial reports will present a summary of financial activity by governmental funds and all funds, respectively.
- The County's reporting system will also provide monthly information on the total cost of specific services by type of expenditure and revenue, and if necessary, by fund.
- The County will retain the right to perform financial, compliance and performance audits on any entity receiving funds or grants from the County.
- The County will maintain policies and procedures in conformance with Title 2, Part 200, Code of Federal Regulations (2CAFR 200) – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.
- The County will engage an independent firm of certified public accountants to perform an annual financial and compliance audit according to Generally Accepted Auditing Standards (GAAS) and will have these accountants publicly issue an opinion which will be incorporated in the Comprehensive Annual Financial Report.



Fiscal Policy

- The Board's Finance/Government Operations and Economic Development Committee (FGOEDC) will serve as the Board's Audit Committee and is responsible for approving the selection of the independent firm of certified public accountants (the Board's external auditor) to perform the annual financial and compliance audit, defining the audit scope and receiving the report of the auditor. The County will also maintain an ongoing internal audit function for the performance of fiscal, programmatic, and operational audits, as determined by the Board's FGOEDC Committee.
- The County will annually seek the GFOA Certificate of Achievement for Excellence in Financial Reporting.

7. Capital Budget Policies

- The County will make all capital improvements in accordance with an adopted Capital Improvements Program (CIP).
- The County will develop a multi-year plan for capital improvements (CIP), which considers the County's development policies and indicators of need (i.e., Capital Facility Standards) and links development proffers resulting from conditional zonings with the capital plan.
- The County will enact a biennial capital budget based on the multi-year Capital Improvements Program.
- The County will coordinate development of the capital budget with development of the operating budget. Future operating costs associated with new capital projects will be projected and included in operating budget forecasts.
- The County will identify the "full-life" estimated cost and potential funding source for each capital project proposal before it is submitted to the Board for approval.
- The County will determine the total cost for each potential financing method for capital project proposals.
- The County will identify the cash flow needs for all new projects and determine which financing method best meets the cash flow needs of the project.
- When restricted, committed and assigned amounts are available, restricted funds (such as proffers, grants, NVTAs and bond proceeds) will be spent first. When more than one category of restricted funds is available for any aspect of a project, the more restrictive of the available funds shall be spent first.
- As part of the capital project closeout process, unspent local tax funding will be transferred to the County or School capital project contingency account to be used at the discretion of the Board of Supervisors. Unspent restricted assets, such as bond proceeds, are required to be reviewed by the Controller's Office prior to closeout. Budget transfers between contingency accounts and other accounts within the capital budget to appropriated capital projects or new board initiated projects, as needed, are permitted under staff authority to execute the county's capital plan. Transfers or appropriations that increase or decrease the overall appropriation level of capital funds requires approval by the Board of Supervisors.
- When a project is subject to capital standards, the capital project should first be approved in the Capital Needs Assessment prior to proposal in the Capital Improvement Plan.
- The County will maximize the use of non-debt capital financing sources through the use of alternate sources of funding, including proffers, grants, and other sources of non-local tax funding revenues. The County will attempt to fund not less than 10% of the total cost of the Capital Improvement Program from local tax funding, fund balance and other recurring local revenue sources. The 10% cash provided may be applied equally to all projects or only to specific projects.

8. Asset Maintenance, Replacement, and Enhancement Policies

- The operating budget will provide for minor and preventive maintenance.
- The capital asset preservation budget will provide for the rehabilitation, preservation or emergency repair of major components of existing County and School facilities and for the replacement of computer systems which requires a total expenditure of \$10,000 or more and has a useful life of ten years or more.



Fiscal Policy

- The appropriations to the fund will be targeted to the fixed asset value of the total County and School physical plant, buildings and improvements (exclusive of land and mobile equipment).
- The capital projects budget will provide for the acquisition, construction, total replacement or improvement of transportation and transit related projects, and physical facilities to include additions to existing facilities which increase the square footage useful life or asset value of that facility.
- The County will capitalize certain classes of intangible assets per the following guidelines:
- Easements and rights-of-way with a value greater than \$1,000,000 and an expected life of three years or more.
- Internally generated computer software with a value greater than \$1,000,000 and an expected useful life of three years or more. Staff time must be 100% dedicated to a specific project for internal costs to be considered in the calculation of the capitalization threshold.
- Replacement of major enterprise technology systems that cost more than \$500,000 per system will be included in the planning for asset replacements in the Capital Improvement Program.
- The County will capitalize all other tangible and intangible fixed assets with a value greater than \$10,000 and an expected life of five years or more.

9. Risk Management Policies

- The County will protect its assets by maintaining adequate insurance coverage through either commercial insurance or risk pooling arrangements with other governmental entities.
- The County will reserve an amount adequate to insulate itself from predictable losses when risk cannot be diverted through conventional methods.

10. Fund Balance Policy: County and Schools

The County has five categories of Fund Balance for financial reporting: 1) Nonspendable; 2) Restricted; 3) Committed; 4) Assigned; and 5) Unassigned. These categories are defined below.

- 1) **Nonspendable Fund Balance:** Nonspendable Fund Balance in any fund includes amounts that cannot be spent because the funds are either not in spendable form such as prepaid expenditures and inventories or legally contracted to be maintained intact such as principal of a permanent fund or capital of a revolving loan fund. Nonspendable fund balance is not available for appropriation.
- 2) **Restricted Fund Balance:** Restricted Fund Balance in any fund includes amounts that are subject to externally enforceable legal restrictions set by creditors, grantors, contributors, federal or state law, or adopted policies regarding special revenue funds.

The following three categories of Fund Balance: 3) Committed 4) Assigned and 5) Unassigned are considered Unrestricted Fund Balance.

General Fund Unrestricted Fund Balance: The Unrestricted Fund Balance policy for the General Fund pertains to both the County and Schools.

- The committed portion of Unrestricted Fund Balance at the close of each fiscal year shall be equal to no less than 10% of operating revenues of the General Fund. This portion of Unrestricted Fund Balance is not maintained for funding recurring expenditures during the normal business cycle and is to be used only in the event of unexpected and non-routine circumstances.



Fiscal Policy

- A withdrawal of the Unrestricted Fund Balance resulting in the remaining balance at less than the targeted 10% level of revenue may be considered if the total projected general fund revenues reflect a decrease from the total current year estimated general fund revenues of at least 3% or in the event of a federally declared natural or national disaster/emergency. Any withdrawal of this type shall be approved by the Board.
 - If circumstances require the use of the Unrestricted Fund Balance to a point below the targeted level, the County will develop a plan during the annual appropriations process to replenish the Unrestricted Fund Balance to the 10% targeted level over a period of not more than three years.
- 3) **Committed Fund Balance:** Committed Fund Balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board. Board adoption of the Fiscal Policy commits the 10% targeted level of Unrestricted Fund Balance. Formal Board action includes the annual adoption of the appropriations resolution and subsequent budget amendments. As stated in the appropriations resolution, encumbrances remaining at year-end will be carried over to the next fiscal year. Formal action to commit fund balance must be taken prior to the end of the fiscal year.
 - 4) **Assigned Fund Balance:** Assigned Fund Balance includes amounts that reflect an intended or planned use of fund balance for specific purposes but are neither restricted nor committed. Assigned Fund Balance does not require formal action of the Board and may be assigned by the County Administrator or his designee. Assigned Fund Balance could be used to fill the gap between projected revenues and expenditures in the following fiscal year.
 - 5) **Unassigned Fund Balance:** Unassigned Fund Balance represents the residual fund balance remaining after non-spendable, restricted, committed, and assigned fund balance is deducted. Unassigned Fund Balance is available for appropriation by the Board with first priority given to nonrecurring expenditures or as an addition to fund balance. The General Fund is the only fund that can have a positive Unassigned Fund Balance.

The order of spending resources: When an expenditure is incurred for purposes for which restricted, committed, assigned and unassigned amounts are available for use, the County considers restricted fund balance to be spent first, then committed fund balance, then assigned fund balance, and lastly unassigned fund balance.

Self-Insurance Fund: The fund balance policy for the Self-Insurance Fund pertains to both the County and Schools.

The fund balance in the Self-Insurance Fund at the fiscal year end will be maintained as a percentage of expenditures in each component of the fund. The percentage will be established annually by professional judgment based on funding techniques utilized, loss records, and required retentions. The County will select an external agency for this annual review.

11. Criteria Policy for Establishment of Special Assessment Districts

A “special assessment” or “special assessment district” refers to any of the various mechanisms in the Code of Virginia that allows the County to impose a special ad valorem tax or special assessment for local improvements on property within a defined area, for the purpose of financing public improvements or services within the district. Examples include, without limitation, Service Districts, Community Development Authorities, and Transportation Improvement Districts.

The following criteria are set forth as the minimum requirements that must be satisfied for the Board to lend its support to the creation of a special assessment district. As such, proposed districts that cannot meet these minimum requirements will have their requests for support rejected by the Board on the basis that it endangers the County’s own credit worthiness in the



Fiscal Policy

financial markets. The Board takes this opportunity to emphasize that other considerations also may apply. In effect, these criteria are set forth only as the minimum standards for the establishment of a district. However, the ability to meet the criteria described below will carry considerable weight with the Board.

The County has determined that under certain circumstances, the creation of a Special Assessment District (a “District”) can further the economic development/quality and growth management/redevelopment goals of the County. Of equal importance is that the County’s financial assets not be at risk. These guidelines are designed to ensure that the County goals are met.

Limited to Projects which Advance County’s Plans. The proposed project or purpose for establishing a District must advance the County’s adopted comprehensive plan or provide greater benefit to the ultimate property owners utilizing the proposed facilities and be in line with the Board’s Vision and Strategic Goals.

Public Improvements to be financed by the Project or District must be related to and guided by standards and policies approved by the Board as identified in the Capital Improvements Program, Capital Needs Assessment Document, or the County’s Adopted Capital Facility Standards.

The County would not expect to utilize special assessment debt to finance typical project infrastructure costs, (e.g., utilities, normally proffered improvements, or subdivision/site plan requirements) absent a compelling (a) commercial or economic development interest, (b) benefit to the broader community, or (c) public health or safety concern.

Description of Project and District Petition. The petitioners shall submit for County staff review, prior to petitioning the County Board of Supervisors for action, a plan of the proposed District. This submission must include as a minimum:

- The special assessment district’s proposed petition to the County Board of Supervisors;
- A map of district boundaries and properties served;
- A general development plan of the district;
- Proposed district infrastructure including probable cost;
- A preliminary feasibility analysis showing project phasing, if applicable, and projected land absorption with the district;
- A schedule of proposed special assessment district financings and their purpose;
- A discussion of the special assessment district’s proposed financing structure and how debt service is paid;
- The methodology for determining special assessments within the district;
- Background information on the developers and/or property owners in the current proposal or previous involvement with other districts in Virginia and elsewhere; and,
- Level of equity to be provided and when such equity would be incorporated into the proposed Plan of Finance.

The petitioner shall respond to and incorporate changes to the proposed petition requested by staff. Failure to incorporate changes will result in a staff recommendation against the creation of the special assessment district.

The petition must address:

- Protections for the benefit of the County with respect to repayment of debt, incorporation, and annexation;
- Protections for the benefit of individual lot owners within the District’s boundaries with respect to foreclosure and other collection actions should their respective assessment be paid or is current; and
- Payment of the County’s costs related to the administration of the District, specifically including the County’s costs to levy and collect any special tax or assessment.



Fiscal Policy

Consistency with County Planning Documents. The petitioner must demonstrate how the project or purpose for establishing the District is/ or could be consistent with the Comprehensive Plan, Zoning Ordinance, and if applicable, the Capital Improvement Program, the Capital Needs Assessment and the Adopted Capital Facility Standards, or other facility planning documents approved by the Board of Supervisors.

Impact on County Credit Rating. The District, either individually or when considered in aggregate with previously approved Districts, shall not have a negative impact upon the County's debt capacity or credit rating. The majority of this debt will be considered and treated as overlapping debt. In order to protect the County's long-term fiscal stability and credit standing, all proposed debt must be in conformance with the County's Debt Management Policies (section #2). Exemptions to this policy may be made if the projects to be financed directly replace capital projects in the current Capital Improvement Program, or the Capital Needs Assessment Document. Maturities of special district debt shall approximate the average of the County's other special assessment debt.

It is the intent of the County that this debt be self-supporting. Debt is deemed self-supporting when sufficient revenue is generated for at least three consecutive years to pay all of the required debt payments.

Due Diligence. A due diligence investigation performed by the County or its agents must confirm petition information regarding the developers, property owners, and/or underwriting team, and the adequacy of the developer's or property owner's financial resources to sustain the project's proposed financing. Developers will be required to grant full access to all accounting records, project pro formas and any other required financial information for any project involving a financial partnership with the County.

Project Review and Analysis. A financial and land use assessment performed by the County or its agents must demonstrate that the District's proposed development, financial, and business plan is sound, and the proposed project or purpose for establishing a District is economically feasible and has a high likelihood of success. The analysis must confirm why establishing a District is superior to other financing mechanisms from a public interest perspective.

Petitioner to Pay County Costs. The County may require that the Petitioner agree to cover the County's costs for all legal, financial, and engineering review and analysis and to provide a suitable guaranty for the payment of these costs. The County's estimated costs shall be itemized to show anticipated engineering, legal, and financial, consultant and other fees.

Credit Requirements. The debt obligations are issued by the District to finance or refinance infrastructure of the project:

- The Board will approve a district debt issuance only after it has been determined the issue can reasonably be expected to receive an investment grade rating from a nationally recognized statistical rating agency (i.e., Fitch, Moody's, Standard and Poor's) including investment grade ratings derived from a credit enhancement (i.e., letter of credit, bond insurance, etc.) or demonstrate some other form of financial safeguard to the bond purchasers. Or
- The Board will approve a district debt issuance only after it has been determined that the district has acquired a credit enhancement device sufficient to guarantee payment of lease payments or debt service in the event of default until such time as the district's outstanding debt as compared to its estimated taxable assessed value is estimated not to exceed 10%. Or
- The District limits its issuance of obligation to minimum \$100,000 denominations, thereby attracting only bondholders recognizing the inherent risk.



Fiscal Policy

Requirement for Approved Financing Plan. The ordinance creating the District shall include a provision requiring the District to submit a financing plan to the County for approval prior to the issuance of any District obligations. Such financing plan shall include details specific to the financing proposed to be undertaken, including, but not limited to more complete and detailed information of those applicable items required under the section entitled Description of Project and District Petition above.

No Liability to County. The County shall not pledge either its full faith and credit or any moral obligation toward the repayment of principal and interest on any debt issued by the district. The project must pose no direct or indirect liability to the County, and the developer and/or District must reasonably provide for the protection of the County from actions or inactions of the District as specified in the letter of intent at time of petition. All documents relating to the project shall reflect the fact that the County has no financial liability for present or future improvements connected with the project whether or not contemplated by the ordinance creating the District or as that ordinance may be amended. The ordinance will contain a provision that acknowledges that the County has no moral or legal obligation to support the debt of the district, but that the County retains the authority and ability to protect the County's credit.

Conditions and Covenants. Any ordinance creating a special district may include appropriate conditions related to the size and timing of District debt. In addition, the County may require covenants to be attached to the property that incorporate the salient commitments related to the proposed District improvements, the public benefits, and the special assessments.

Annual Review. These guidelines shall be reviewed at least annually.

12. Policy for Public-Private Solicitations

The Board has adopted guidelines within Article 7 of the County's Procurement Resolution to implement the Public-Private Education Facilities and Infrastructure Act of 2002, Va. Code § 56-575.1, et seq. ("PPEA"), and the Public-Private Transportation Act of 1995, Va. Code §33.2-1800, et seq. (as re-codified effective October 14, 2014, formerly codified as §56-556, et seq.) ("PPTA") (Individually an "Act"; together, the "Acts"). These guidelines apply to all procurements under the PPEA and PPTA where the County is the "responsible public entity" (RPE), the "affected jurisdiction" or the "affected locality or public entity" within the meaning of Virginia Code § 56-575.1 and Va. Code § 33.2-1800 (formally §56-557.)

Individually negotiated comprehensive agreements between private entities and the County ultimately will define the respective rights and obligations of the parties for Public-Private projects. The version of the Acts that is in effect (at the time of execution of a comprehensive agreement under procurement as to that procurement) is controlling in the event of any conflict.

The Acts allow private entities to include innovative financing methods, including the imposition of user fees or service payments, tax overlay districts, special assessment districts, land swaps, property up-zonings or TIF-like mechanisms, etc. in a proposal. However, the County reserves the right to utilize its own financing mechanism as a less costly alternative. Any/all partnership solicitations shall not have a negative impact upon the County's debt capacity or credit rating.

Any debt issued by the partnership must conform to the County's Debt Management Policies (section #2). Solicitations wherein the County provides all or a substantial portion of the funding must include financial protections for the County as the "First Tier" lender meant to give the County first priority, ahead of other potential financial lenders, to take possession of assets or revenues in the event of a default to mitigate this risk.

Solicitations should include a "Security Reserve" that would provide immediate cash flow for the County to pay financial obligations should there be delinquency in any payments. This cash flow will supplement continued tax revenues that are



Fiscal Policy

collected from activities that continue to occur in the development area during any financial challenges. Any excess funds in the security reserve will be used to prepay the public investment.

A Public-Private Partnership should result in a fair contract that balances the needs of both partners while ultimately protecting the public's interest. There are six critical components of any successful partnership: political leadership, public sector involvement, comprehensive plan, dedicated income stream, stakeholder communication, and proper partner selection.

Preference will be afforded Public-Private solicitations that are fiscally prudent and in line with the Board's Vision and Strategic Goals. The petitioner must demonstrate how the solicitation will advance the County's adopted Comprehensive Plan or provide greater benefit to the ultimate property owners utilizing the proposed facilities. Public Improvements specified within the solicitation must be related to and guided by standards and policies approved by the Board as identified in the Capital Improvements Program, Capital Needs Assessment Document, or the County's adopted Capital Facility Standards.

The County is seeking private partners that will bring the best value to projects as opposed to the lowest bidder. Factors that can contribute "value" to a project include, but are not limited to: project design, project delivery schedule, use of innovation, access to expertise, project financing, risk transference and user fee schedule (if applicable) over the duration of the partnership.

The County will conduct an in-depth examination and evaluation of potential private partners and their proposed projects including, but not limited to, qualifications & experience, financial capability, references, risk transference and any litigation and/or controversy that the potential partners and their key staff members may be involved in. This information will assist the County in finding partners that are experienced and will bring the "best value" to the partnership, and ultimately the residents of Loudoun County over the course of the long-term partnership.

The County will consider the relevancy and extent of specific technical experience and expertise of the designated key staff members of the submission team, not simply the entity as a whole. The County will also analyze how this experience and expertise benefits the County and the project. Benefits of the partnership may include accelerated project delivery, greater access to technology and innovation, risk transference, alternative financing methods and cost-efficiencies that result in lower operating costs. Ultimately, the partnership must provide some measurable public benefit that the residents of Loudoun cannot access or achieve without the private partner.

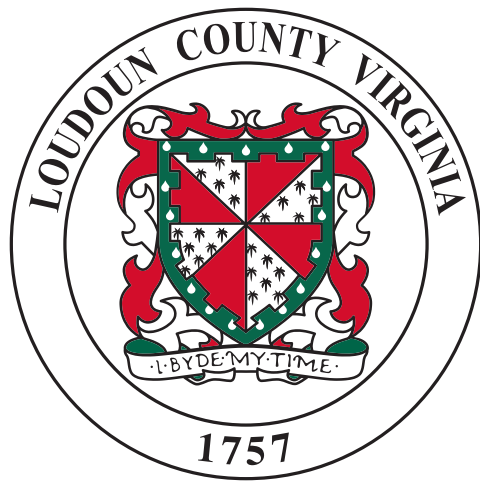
A Financial Due Diligence investigation performed by the County or its agents must confirm solicitation information regarding the adequacy of the private partner's financial resources to sustain the project's proposed financing. Private partners will be required to grant full access to all accounting records, project pro formas and any other required financial information for any project involving a financial partnership with the County.

Any/all costs incurred by the County during the examination, evaluation and due diligence investigations will be advanced or reimbursed by the solicitor in accordance with the Acts.

Risk should be assigned to the partner that is best equipped to manage or prevent that risk from occurring or that is in a better position to recover the costs associated with the risk. The goal of the partnership should be to combine the best capabilities of the public and private sectors for mutual benefit. It is the intention of the County to maintain control of the asset or enterprise produced by the partnership, oversee the operation and maintenance, and regulate the amount of private involvement to protect the integrity of any public asset. The County will set the parameters and expectations for the partnership to address the public's needs. If the partnership does not live up to its contractual expectations, the County will regain ownership of the asset or enterprise system.

It should be noted that Risk is not limited to just liability but includes the assumption of responsibility for uncertainties conceptual, operational, and financial that could threaten the goals of the partnership, including, but not limited to, design and construction costs, regulatory compliance, environmental clearance, performance, and customer satisfaction.

Annual Review. These guidelines shall be reviewed at least annually.

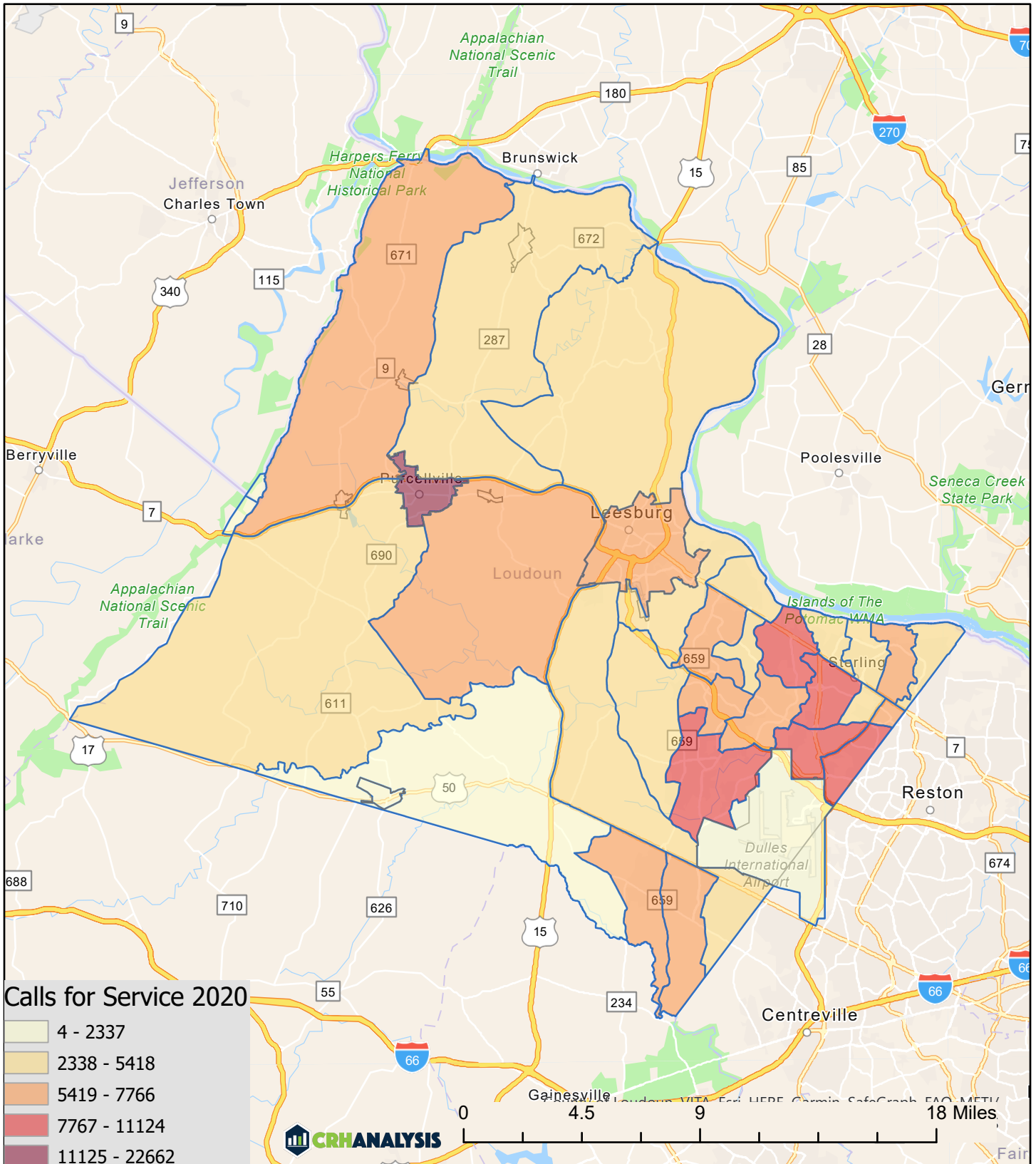


Appendix D: Maps and Calls for Services



Loudoun County

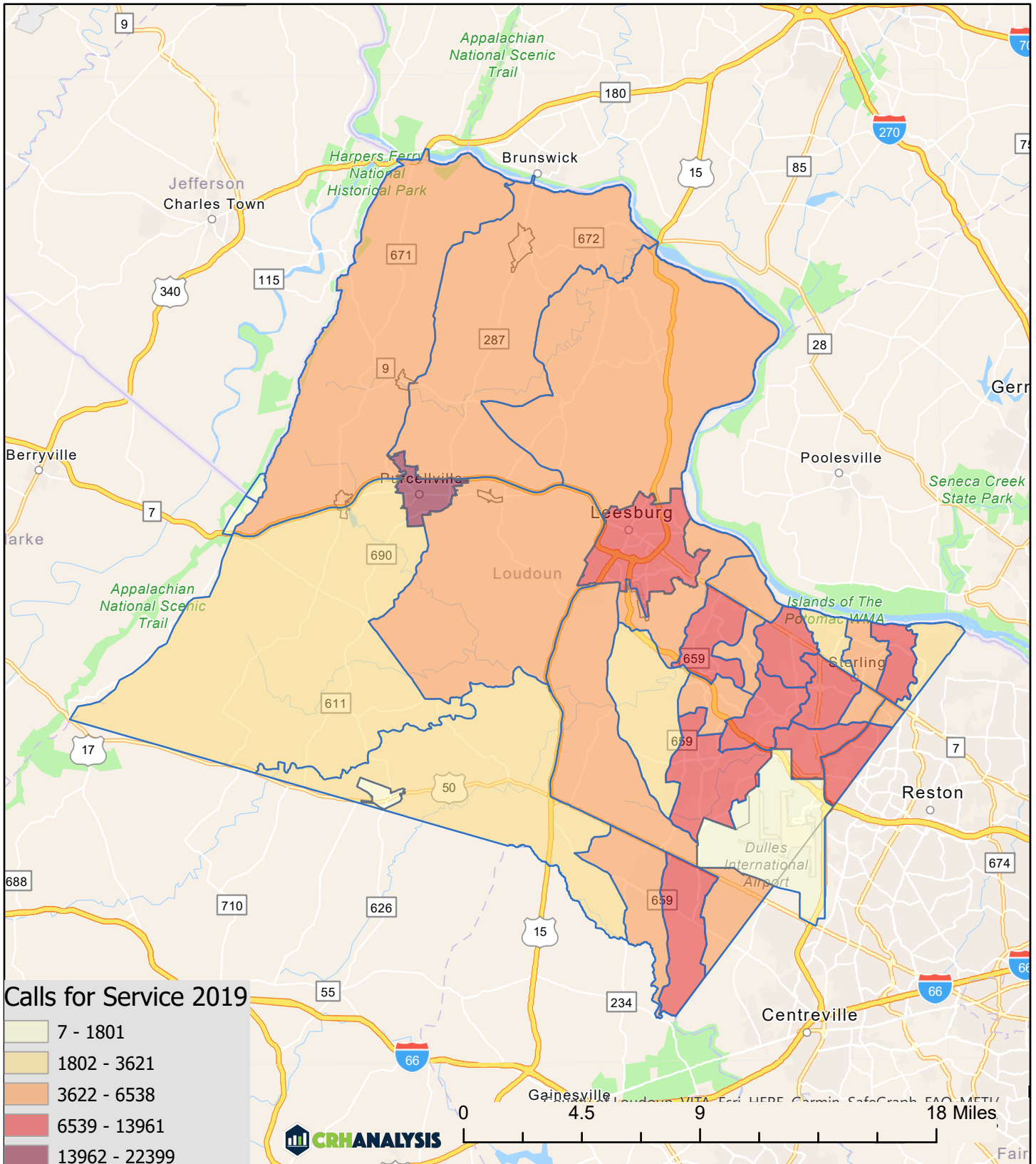
Calls for Service





Loudoun County

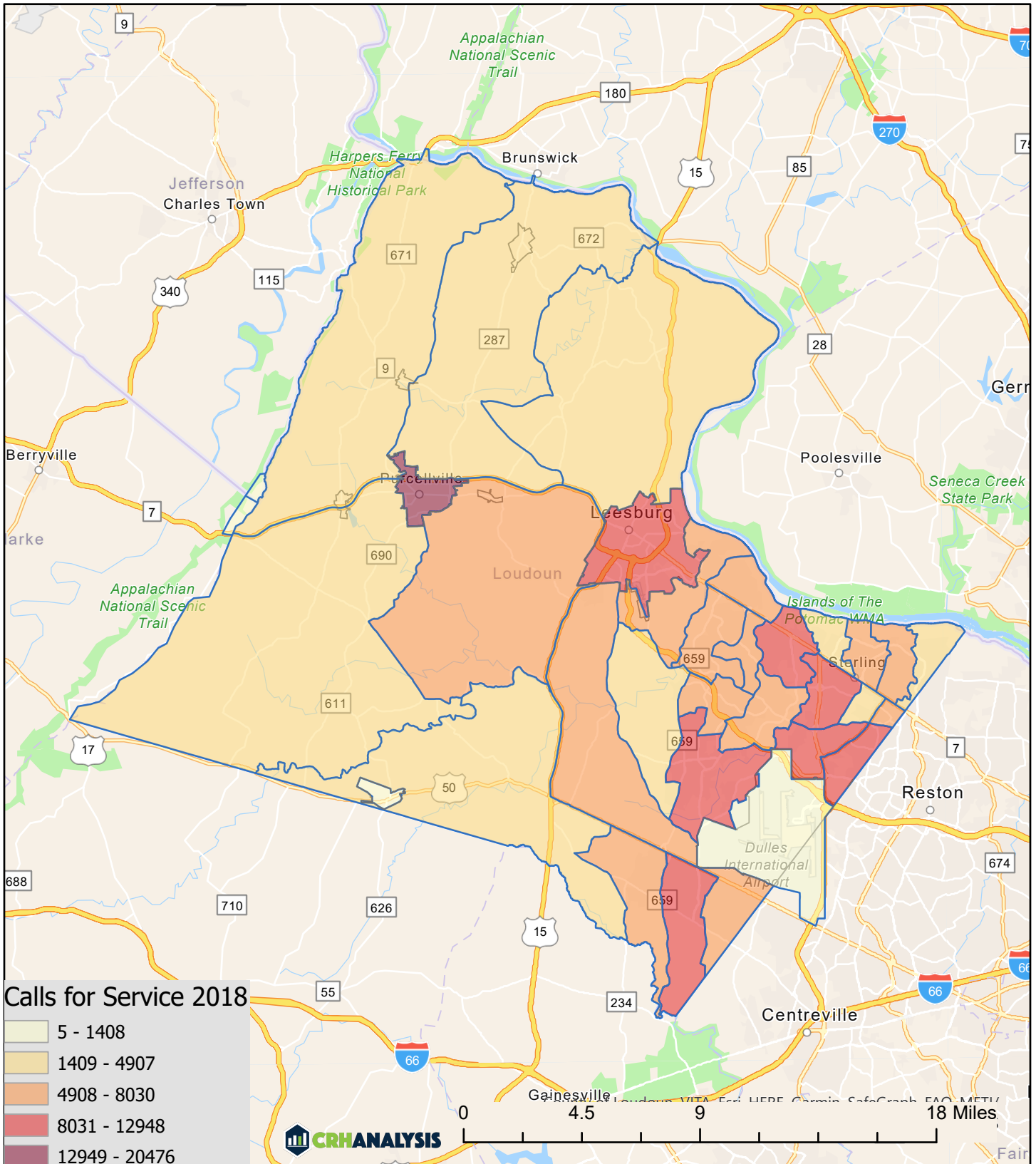
Calls for Service





Loudoun County

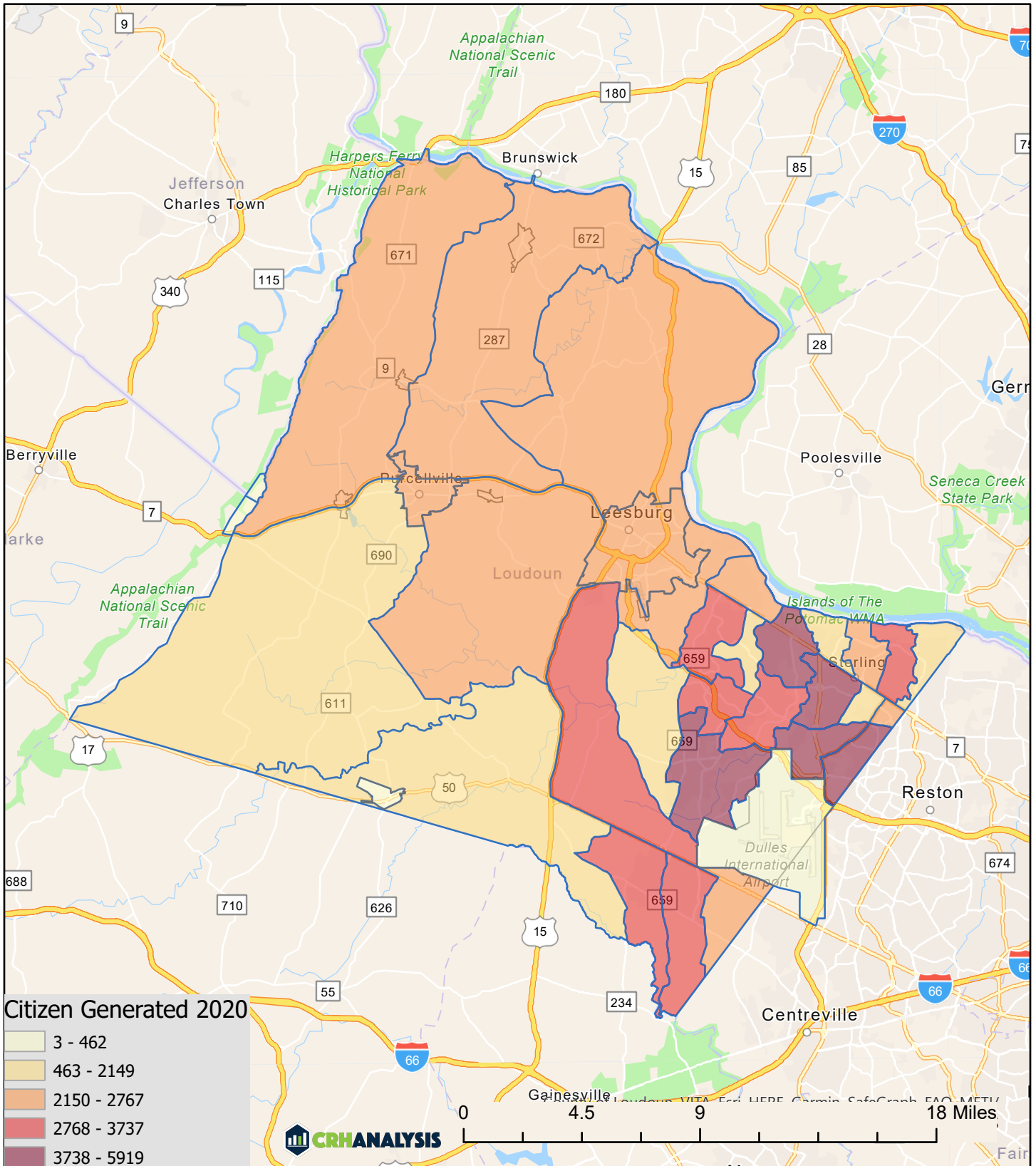
Calls for Service





Loudoun County

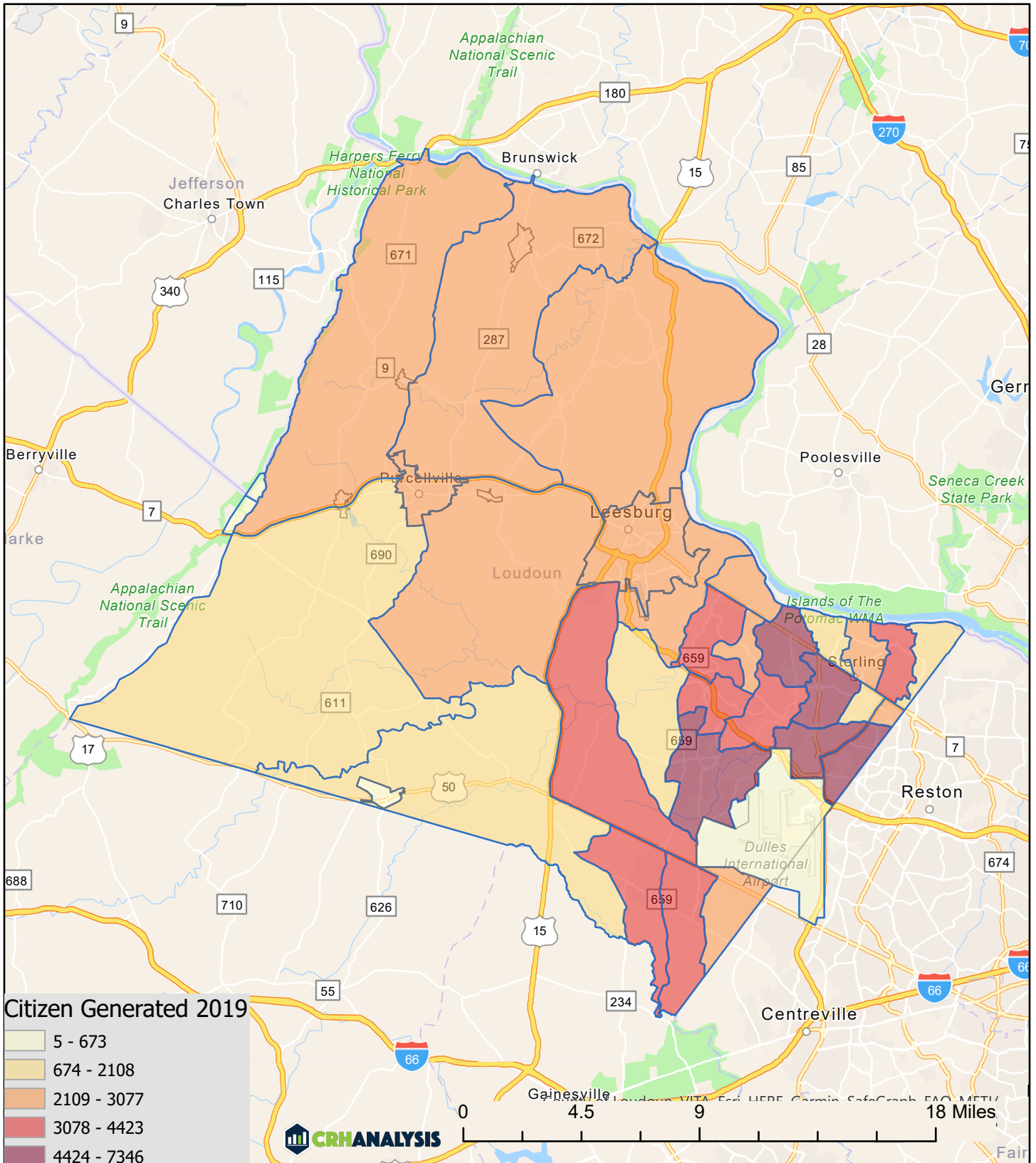
Calls for Service





Loudoun County

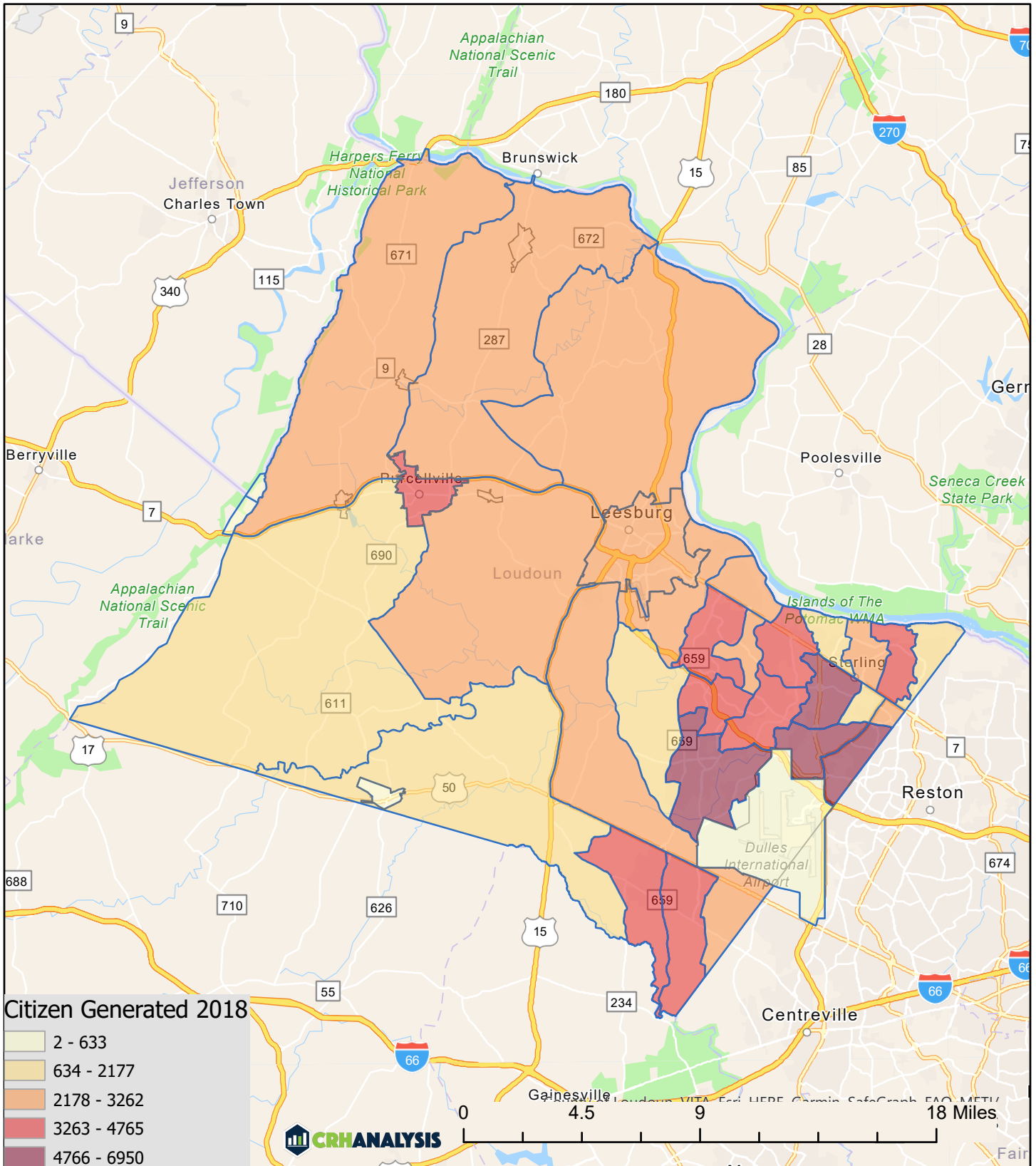
Calls for Service





Loudoun County

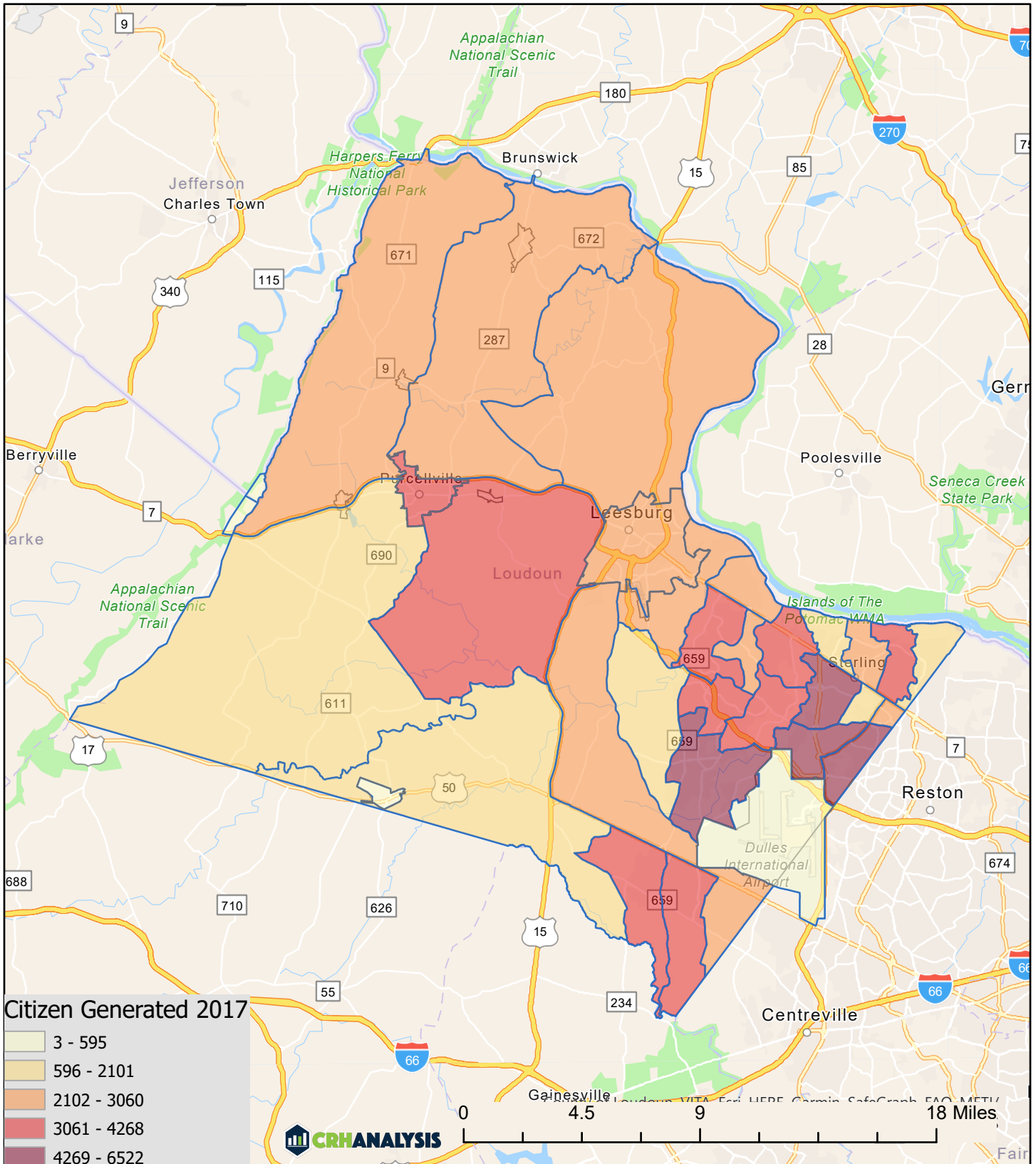
Calls for Service





Loudoun County

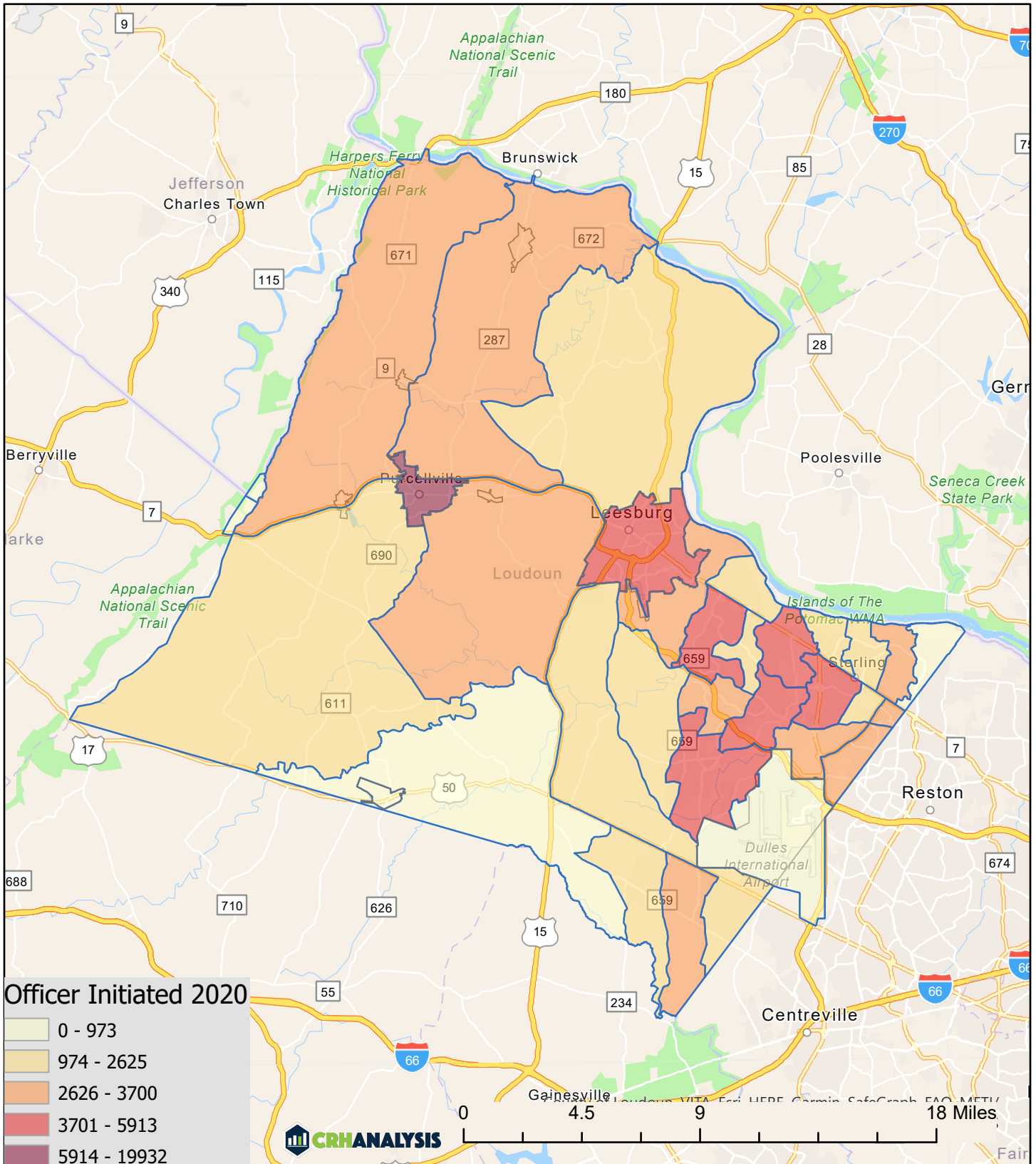
Calls for Service





Loudoun County

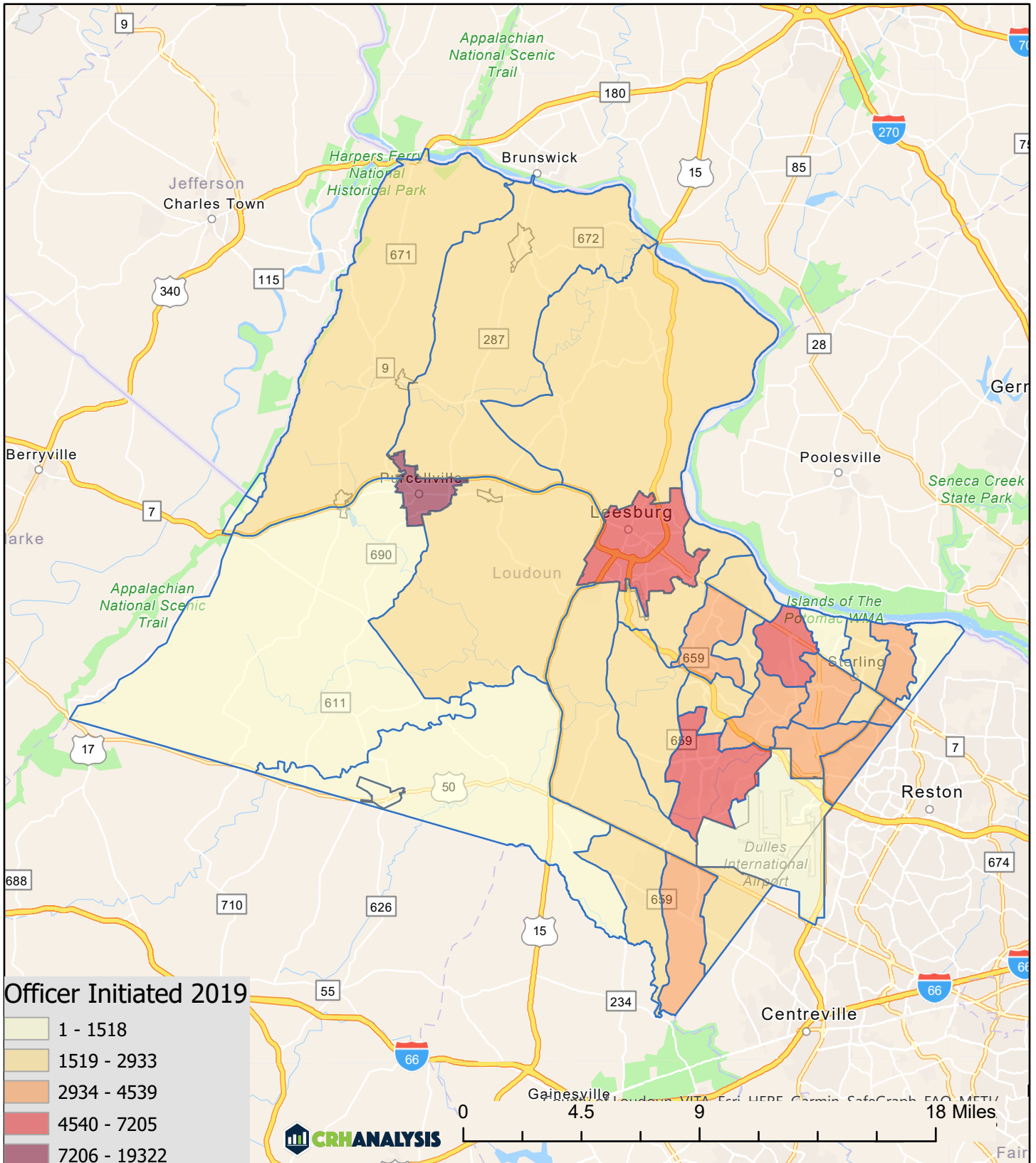
Calls for Service





Loudoun County

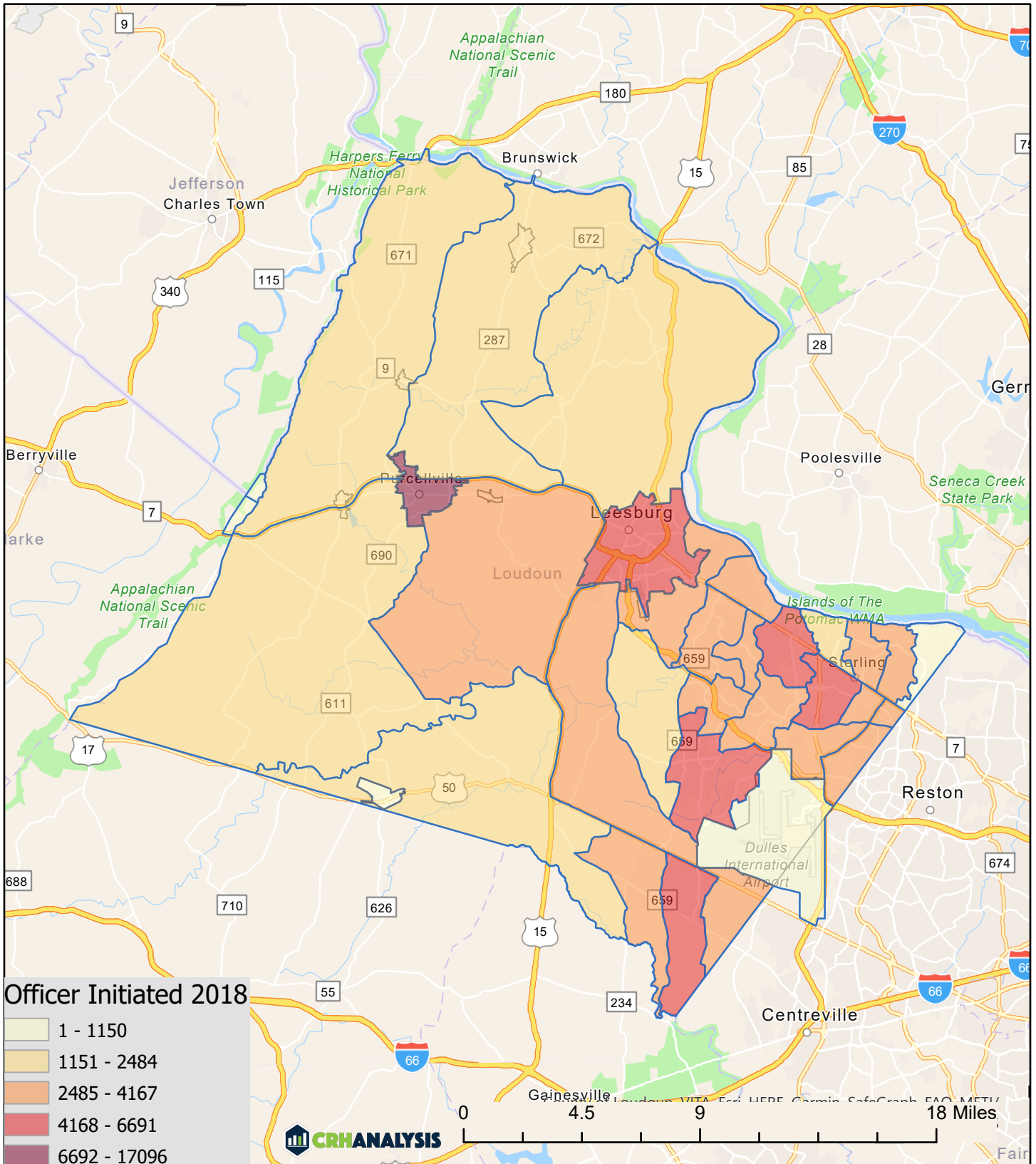
Calls for Service





Loudoun County

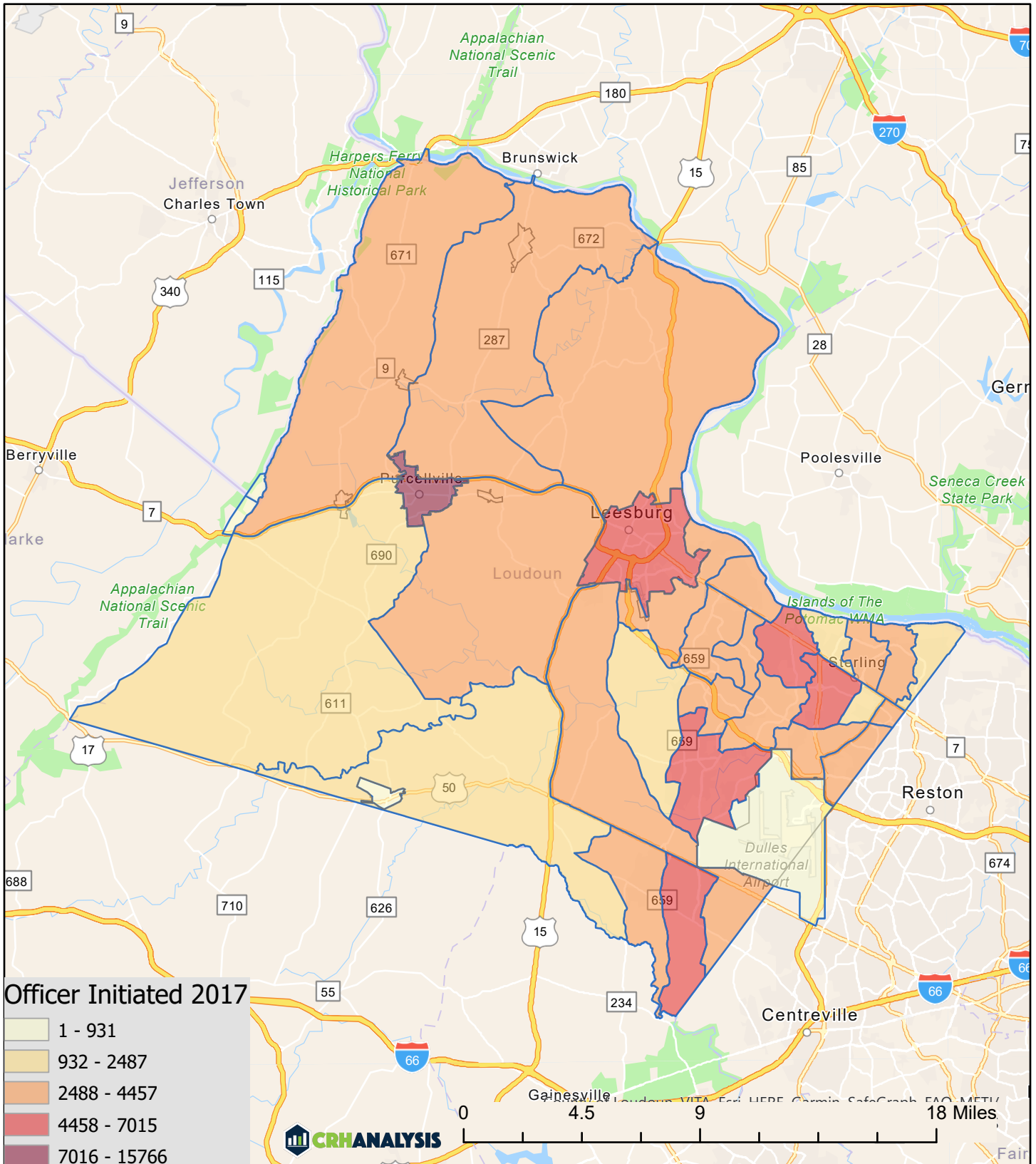
Calls for Service





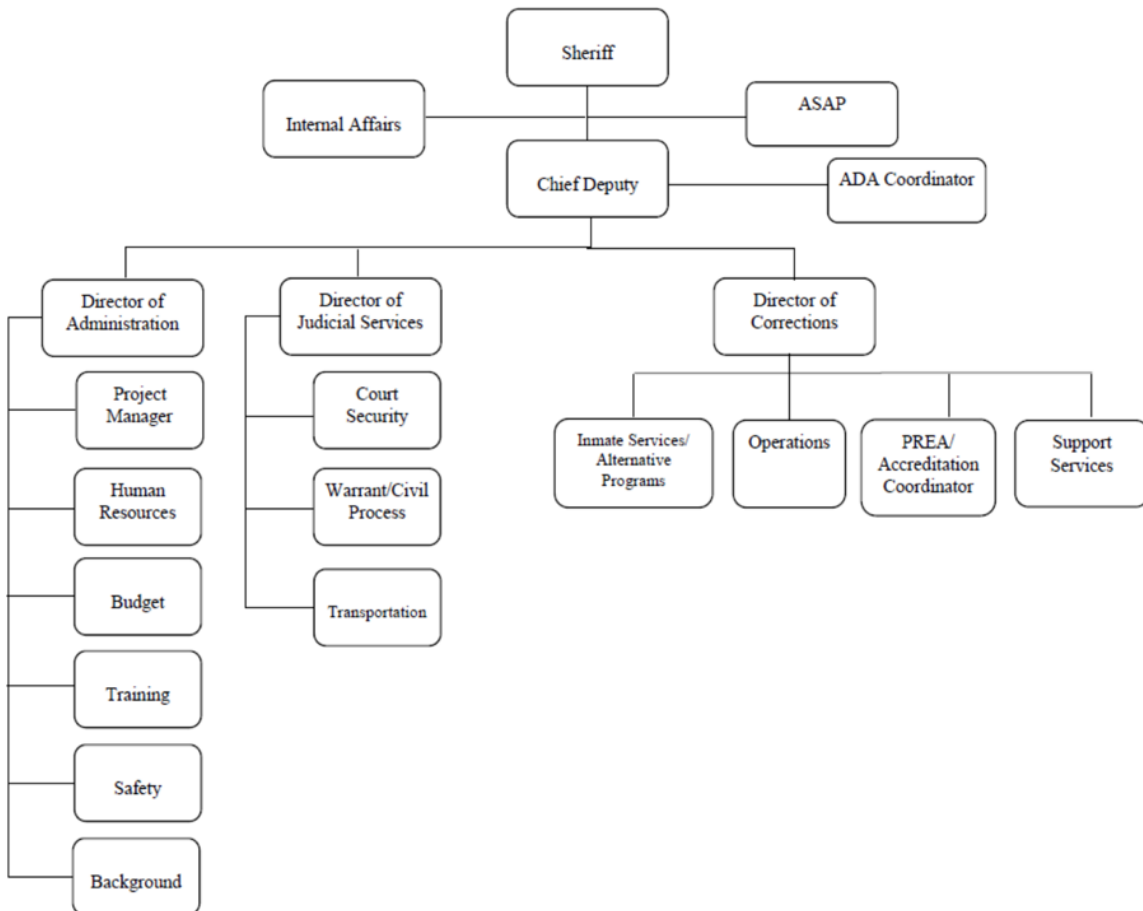
Loudoun County

Calls for Service

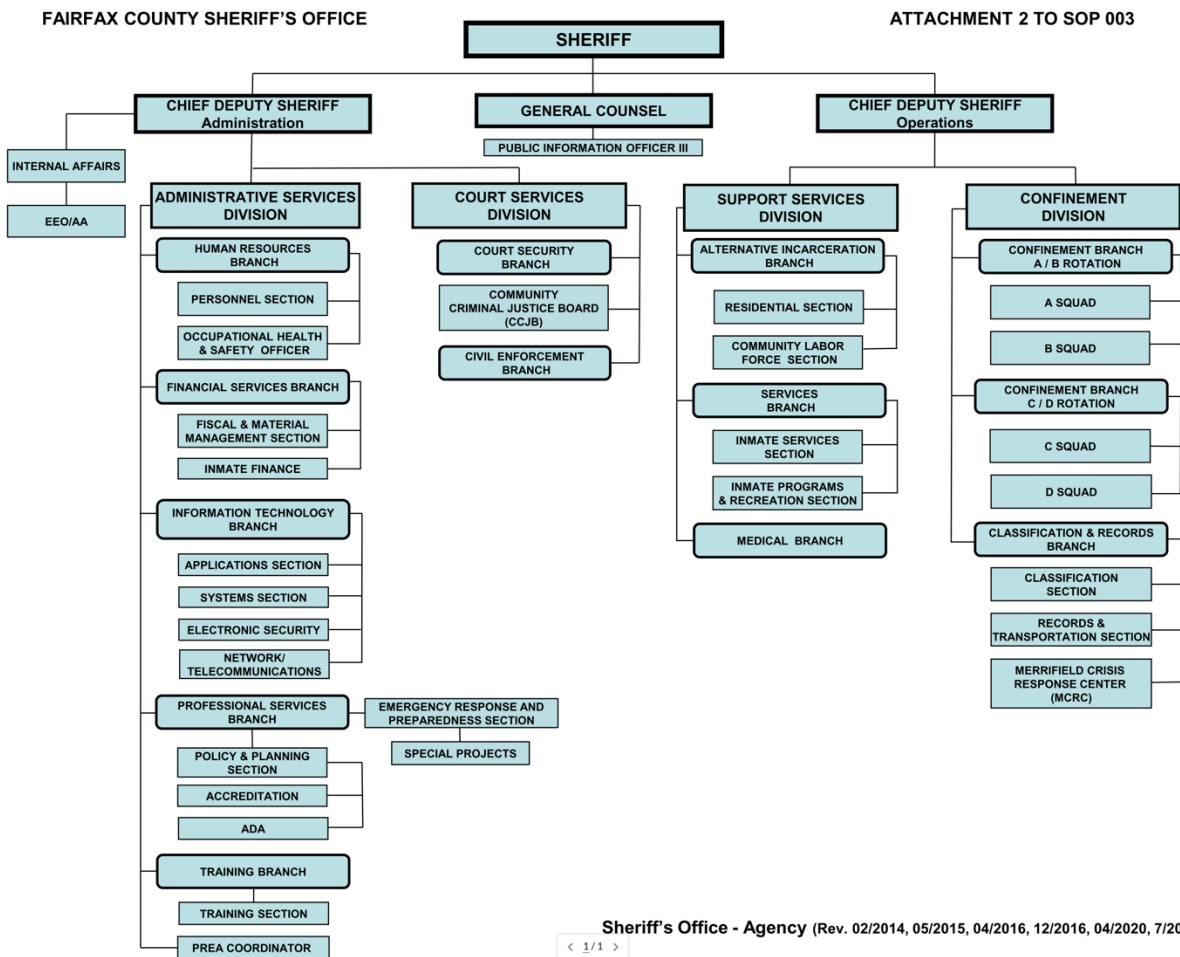


Appendix E: Comparison Org Charts

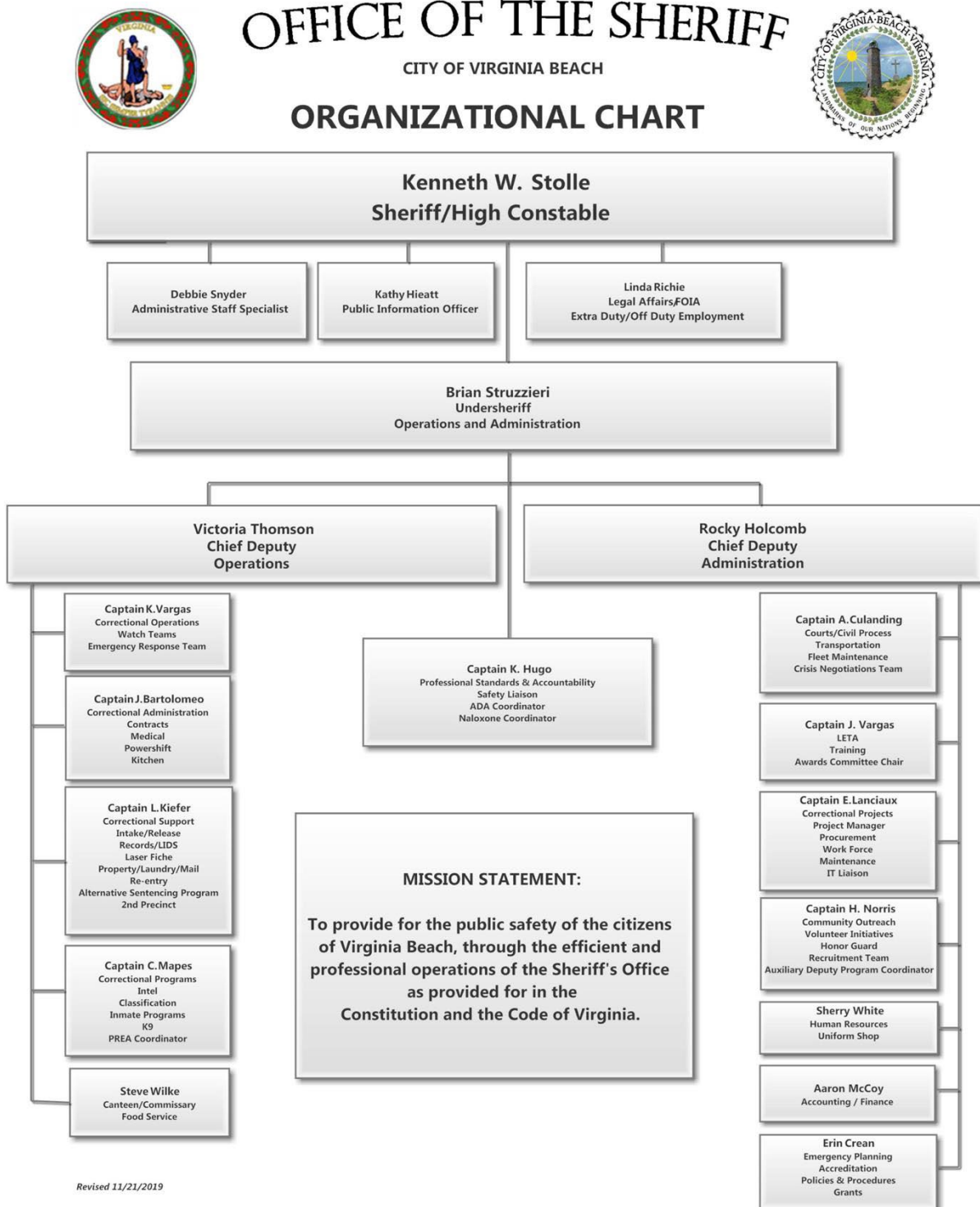
Arlington County Sheriff's Office



Fairfax County Sheriff's Office



Virginia Beach Sheriff's Office



Prince William County Sheriff's Office

