

Leesburg Economic Development Strategic Plan

October, 2023

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Prepared by Better City, October 2023

Cover Photo: Rodney Brown | Visit Loudoun



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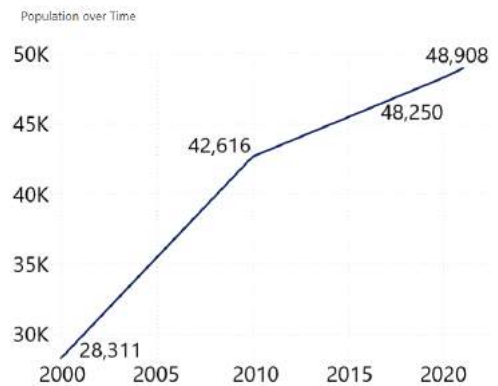
Executive Summary

At the onset of the new millennium, anyone asserting that in just over 20 years Leesburg would have almost 50,000 residents, only 1,600 acres of undeveloped land, and median home prices around \$700,000 would have understandably invited some skepticism. Yet, that is precisely the reality we find ourselves in today.

Leesburg Median Home Sale Price



Leesburg Population Growth



Not since the historic accidental clash at Balls Bluff in 1861 has Leesburg garnered such widespread attention. The Town has rightfully earned its place in the spotlight, with great schools, friendly neighborhoods, fantastic youth recreation programs, natural beauty, and charming downtown. All of these attributes, coupled with its convenient proximity to the thriving DC metropolitan area, are now well-recognized and cherished by residents and visitors alike.

At this point in the Town's history, the imperative is to intentionally and strategically direct growth and development to achieve the community's vision and ensure that the Leesburg of tomorrow is the best it can be.

This Economic Development and Tourism Strategic Plan builds on the foundation of the Legacy Leesburg Town Plan. The Town Plan thoughtfully articulates guidance for the Town's future, derived from community input and rooted in the Town's culture and history. This Economic Development and Tourism Strategic Plan takes the overarching principles and the vision articulated in the Town Plan and identifies the key, catalytic next steps.

Through broad community interviews and focus groups, reviews of past studies, extensive analysis of economic, demographic, and business data, and original research, the following strategies were identified to guide the Town's economic development efforts. These strategies align with the current economic landscape and aim to capitalize on existing strengths while addressing areas ripe for improvement.

Economic Opportunity

Target Industry Recruitment: Leveraging its existing strengths, Leesburg can recruit and nurture specific industries that align with its economic potential. Prioritizing industries that align with the Town's highly skilled workforce, including aerospace and aviation, technology, and education sectors, presents an opportunity to diversify the local economy, reduce commuting times, and foster the creation of high-quality employment opportunities.

Permitting Process Enhancements: Streamlining and improving the permitting process for businesses and development projects is essential to foster a more attractive and efficient business environment in Leesburg. By reducing bureaucratic barriers and enhancing transparency, the Town can accelerate business expansion, attract investment, and create a more welcoming atmosphere for entrepreneurs.

Outcome-Oriented Land Use Planning: Prioritizing outcome-oriented land use to align with economic development goals. This entails thoughtful zoning and land use policies that facilitate the development of infrastructure and commercial spaces that are strategically located to meet the needs of businesses and residents while preserving the Town's unique character.

Tech Incubation and Accelerators: Establishing a tech incubator and/or accelerator to serve as catalysts for innovation and entrepreneurship within Leesburg. By providing resources, mentorship, and networking opportunities, these initiatives nurture the expansion of startups and technology-driven businesses, contributing to economic dynamism and competitiveness.

Tourism

Town Square: Transforming the Courthouse Lawn back into a vibrant town square can help Leesburg enhance its historical charm and create a focal point for community life. Historically, downtown areas have often centered around a vital gathering place, and the Loudoun County Courthouse Lawn possesses the potential to serve this pivotal role. This new town square would draw both residents and visitors, creating a critical boost to the downtown as a bustling and dynamic hub.

Event Calendar & Tourism Information Hub: Providing a centralized event calendar and a Tourism Information Hub can boost tourism in Leesburg by making it easy for visitors to access to up-to-date information about Town events and activities, making it convenient for tourists to plan their trips, explore a variety of attractions, and potentially extend their stays.

Developments to Boost Visitation: Attracting a boutique hotel to downtown Leesburg, and attracting a multi-use event facility anywhere within the Town, would support the local tourism industry. The hotel would serve as a catalyst for extending the length of stay for visitors, transforming downtown Leesburg into a destination for both leisure and business travelers. The event facility would host events, conferences, and other public and private gatherings that would generate additional traffic for downtown businesses.

Visitor Venue Cross-Utilization: Increasing cross visitation between local retail centers would create synergies and improve the Town's appeal as a day trip destination. Collaborative initiatives between various attractions and venues can promote bundled experiences, enticing tourists to seamlessly explore various aspects of Leesburg. Creating convenient, cost-effective, and attractive transportation links fosters cross-visitation and enhances the overall visitor experience.

To continue Leesburg's positive trajectory, the Town must ensure that development, business attraction and support, and downtown improvements are strategically focused on enhancing the community's prosperity and quality of life.

The strategies in this plan articulate how the Department of Economic Development will support Leesburg in reaching its goals.

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Project Background



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The Town of Leesburg, Virginia initiated its first Economic Development and Tourism Strategic Plan to provide strategic guidelines and an implementation roadmap to guide its economic development efforts. The Town engaged the economic development advisory firm Better City to collaborate on creating the strategic plan.

The planning process spanned from January to October 2023 and included an assessment of the local economy, local and regional visitation, and commercial real estate development.

Step 1 A review of seven previous plans and studies related to economic development and tourism in Leesburg provided a framework to leverage past insights and create a more comprehensive and impactful strategic plan. (See Appendix A)

Step 2 There was extensive local stakeholders engagement, with **input from 63 community stakeholders**. Input was received via interviews and focus groups to gather perspectives and opinions from individuals representing different sectors of the community, including small business owners, major employers, developers, real estate brokers, elected officials, property owners, nonprofits, religious leaders, workforce service providers, Economic Development Committee Members, Loudoun SBDC, Visit Loudoun, and Loudoun County High School Students. (See Appendix E)

Step 3 A meticulous analysis of economic and tourism data was conducted, which provided valuable insights into the Town's economic trends and visitor markets. Additionally, extensive market research was carried out to guide the recommendations for the Town. The goal was to align the identified opportunities with emerging economic and visitor trends, ensuring the plan's relevance and effectiveness. (See Appendix B and C)

This Economic Development and Tourism Strategic Plan is the synthesis of the gathered data, insights from interviews and focus groups, and the findings from market research. The strategies target specific opportunities, with a particular emphasis on capturing the potential of the "day-tripper" market. Specific next steps accompany each strategy to facilitate implementation.

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Key Themes



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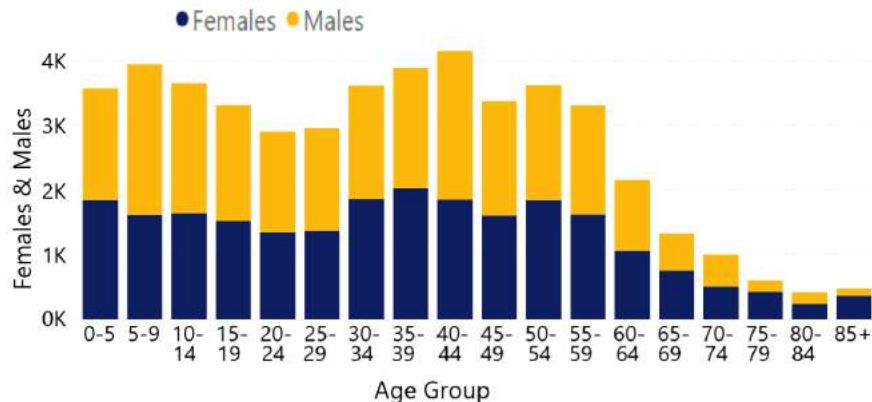
Leesburg is cherished by its diverse population and united by a strong sense of community. In-depth interviews with local residents and community leaders revealed a deep-rooted passion Leesburg citizens have for their Town. They want to see sustainable and resilient growth through strategic planning while ensuring that the Town’s culture and community atmosphere are preserved while embracing a thriving commercial environment.

Topics raised by residents include the desire for strategic and intentional land use, cooperation among the business community, focus on day-trip tourism, a vibrant and historic downtown, quality of life enhancement, and securing commercial development. The following key themes emerged from the interviews and focus groups.

Hometown Feel / Quality of Life

Leesburg has remarkable demographic balance – meaning it is an attractive location for families across the age spectrum and seniors. This demographic diversity contributes to the Town’s dynamic character and underscores its appeal as a place to settle and enjoy various amenities by the residents.

Residents extolled the excellent quality of life in Leesburg, yet expressed concern that rapid growth threatens the fundamental attributes that make Leesburg such a great place to live. Though the Town’s population is approaching 50,000, residents still cherish the small-town, neighborly ambiance that defines the community, and the prospect of losing that culture is a source of genuine concern.



Downtown

There is unanimous consensus that the downtown represents the heart and soul of the community. Its renaissance over the past several years is a huge win for the Town and has brought renewed pride and sense of place to residents.

Business owners are thrilled with the growth in the number of businesses and foot traffic, and grateful for the Town's infrastructure investments. Many businesses are still struggling, however, and are anxious to see an improvement in the trajectory of downtown. Business owners were concerned about challenges related to parking accessibility for patrons, and they desire an increase in downtown events that will increase foot traffic. Although weekend foot traffic is robust, weekday sales are low and make it hard to justify staying open.

Business Cooperation

The business community expressed the desire for increased cooperation and coordination, both among downtown businesses and with businesses in other parts of the Town. The newly established Main Street organization represents a pivotal step towards enhancing cooperation among businesses. Using a centralized calendar to promote both private and public events, strengthening partnerships between local businesses, enhancing communication and cross-promotion were cited as opportunities.

Tourism

The County's tourism initiatives primarily target overnight hotel stays, yet Leesburg's attractions are well-suited for day trips and regional tourism. There is a sentiment, especially among downtown businesses, that a broader spectrum of marketing efforts to increase awareness, and a more diverse range of experiences and events would draw visitors, especially on weekdays when it is crucial for business vitality.

Permitting Process

Developers and real estate professionals were united in their concerns about the Town's permitting process. The length of time for plan reviews, the number of reviews required and the lack of process transparency were identified as burdensome and costly – especially when compared to surrounding communities. Examples were given of delays in project approvals that resulted in cost overruns and resulted in higher project finance costs. Some developers have indicated that they are disinclined to pursue further projects within the Town because of difficult past experiences.

Even business owners expressed unprompted concern about permitting and suggested that streamlining the regulatory processes and creating a more business-friendly atmosphere could help attract development groups and foster economic growth.

Land Use Planning

Maintaining equilibrium between residential and commercial development was a critical concern among residents. The persistent push from developers to expand residential areas has led many to advocate for a well-balanced blend of residential and commercial spaces. Residents acknowledge the profitability of housing projects for developers but also see that the community would benefit from diverse development profiles and mixed-use hubs – and the diminishing greenfield opportunities make balanced development crucial.

Although the demand for office space has declined post-pandemic, there is the sentiment that there is still strong demand locally for co-working spaces and smaller office suites to accommodate small to mid-sized companies.

Some cited the importance of providing opportunities for employment within the area and utilizing some of the remaining land for business uses. By fostering local job opportunities, they hope that there will be an enhanced quality of life and a better work-life balance.

The Less Advantaged

Heartfelt concerns were repeatedly voiced for the community members who face challenges such as living in crowded conditions or dealing with lengthy commutes for work in the Town. Many of these are service workers and laborers who fill a crucial role in the local economy.

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Department of Economic Development

The primary purpose of this Strategic Plan is to articulate key priorities for the Department of Economic Development (DED). The Strategic Plan becomes the strategic playbook for the next 5 to 10 years.

A derivative of identifying the key recommendations is to understand the evolving role of the DED. Leesburg economic development requirements are changing to a paradigm that will require even greater intentionality and decisive intervention. As the Town moves into an era where it must be strategic about which developments to allow and which industries to pursue, the role of the DED must also realign.

To execute on the requirements of this evolving role, the Department of Economic Development will need to lead collaboration, communication efforts with other Departments within the Town and other organizations within the community. It is imperative, therefore, that there be alignment within the Town with the objectives of the Economic Development and Tourism Strategic Plan and an acknowledgment of the critical leadership role that DED will need to play.

Current Roles of the DED

- Small Business Development
- Business Retention and Expansion
- Day Tripper Tourism – including event planning
- Shepherding clients through the permitting process
- Marketing and advertising to promote Leesburg as a destination for business and visitors.
- Workforce Development
- Department brand promotion
- Primary Town Point of Contact and Liaison to business and development community
- State legislation – monitor and provide input on existing and proposed state legislation

The DED accomplishes these functions by working with various outside agencies, both public and private. Examples include state and regional economic development and

tourism offices, primary and secondary educational institutions, and private consultants.

Evolving Roles of DED

To execute on the strategies articulated in this Strategic Plan, the Department of Economic Development must expand beyond its traditional roles. The DED team is well-equipped to refocus on new functions as it comprises highly-capable and experienced professionals.

- **Leader of Narrative/Storytelling:** Take the lead in crafting and disseminating the messaging: Leesburg is a thriving and innovative business hub and tourism destination.
- **Information Hub:** Central repository of local events and business information for tourists and residents.
- **Development Ombudsman:** Play a formalized role in helping key, strategic development projects navigate the entitlement and permitting processes. Establish the criteria for which projects are catalytic and strategic.
- **Development Catalyst:** Initiate projects aligned with community goals – including identifying redevelopment opportunities, working with owners to create project plans and develop site plans, identifying public/private partnership opportunities, creating incentive packages (when appropriate and necessary).
- **Industry/Business Hunter:** Proactively target businesses in industry segments that align with strategic goals. Develop locations and ensure a workforce that can accommodate the new ventures.

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Economic Opportunities

The four strategies outlined in this section form a cohesive framework to accomplish the following goals:

- Diversify the local economy
- Attract high-paying jobs
- Reduce the amount of residents who commute long distances to work
- Make the community more attractive to businesses and developers
- Ensure new development suits the Town's long-term needs
- Facilitate local entrepreneurship and innovation



Loudoun Economic Development

Local Economy Strategy #1

Target Industry Recruitment

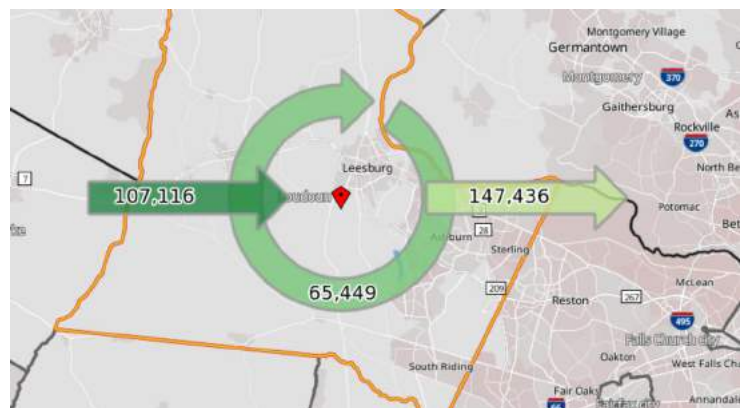
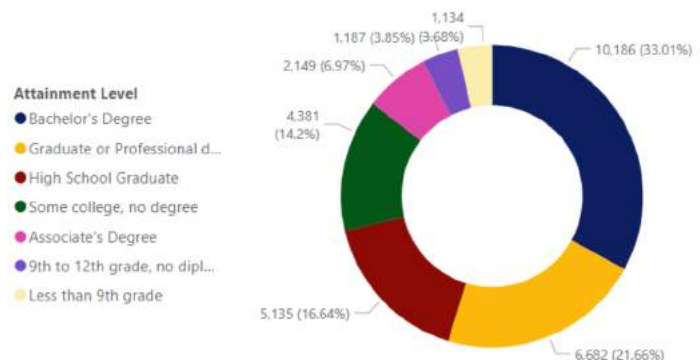


Objective Diversify the local economy to enhance resilience and provide a greater variety of employment opportunities for residents.

Leesburg boasts a highly educated and skilled labor force, with a strong focus on fields such as science and engineering, arts and humanities, business, and education.

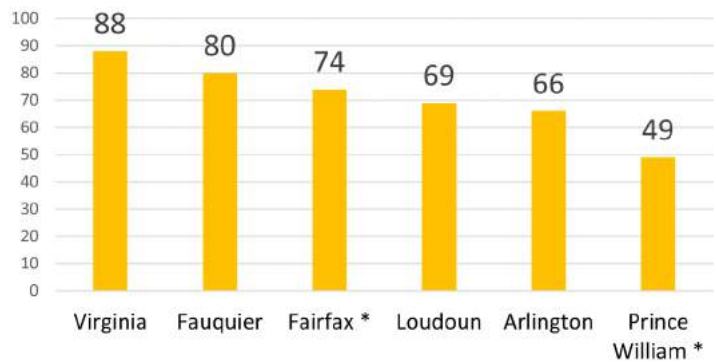
54.6% of the population holds bachelor's degrees or higher qualifications, and the Town has a robust **workforce participation rate of 77%**.

44% of Leesburg residents invest over 30 minutes in their daily work commutes, while 12% endure journeys lasting 60 minutes or longer. These statistics represent a challenge that impacts residents' quality of life. Strategically designed commercial development can benefit the community by providing space for businesses that employ a larger segment of residents within the community.



Loudoun County's economy has several strong sectors, including information services, professional, scientific, and technical services, real estate, rental and leasing, construction, manufacturing, and retail trade. However, the County's economy has a relatively high concentration in a few sectors. The Hachman Index measures economic diversity within a region, calculated by comparing the employment and GDP of the entire range of industries in a region to the national mix. The index range is 0 to 100, with a higher score indicating more economic diversity. The 2021 **Hachman Index score for Loudoun County was 69** – significantly lower than the State of Virginia's 88.

Hachman Index Score Comparison



Note, the Hachman Index score for Fairfax County and Prince William County include additional locations: Fairfax, Fairfax City + Falls Church, VA; Prince William, Manassas + Manassas Park, VA

The concentration of industries makes the County's economy more vulnerable to economic shocks and less resilient. The reliance on a few sectors puts the County, and Leesburg, at risk of exposure to market fluctuations and economic downturns. To bolster its resilience against adverse conditions, Leesburg can strategically pursue economic diversification, mitigating the risk of economic shock by opening the door to new industries, sectors, and businesses.

In addition to mitigating risks, a diverse economy provides a variety of employment opportunities, so residents can find jobs that aligns with their skills. Local professional opportunities create shorter commutes, less congestion, and lower transportation costs, enhancing **work-life balance** and **quality of life**. As employment increases within the Town, local businesses benefit from lunch and casual traffic, driving sustained economic growth.

Taken together, these three factors: highly educated workforce, long commute times and a high degree of industry concentration make the case for recruiting new industry clusters to create local employment.

Strategy

Industry recruitment targets specific sectors to allocate resources effectively and attract businesses that align with a region's strengths. Selecting specific industries that align with the Town's strengths, resources, and goals, focuses recruitment efforts and increases the likelihood of success. The Town can streamline marketing, direct infrastructure development, and support workforce training initiatives.

Aerospace and Aviation

Attract aerospace companies, aviation-related businesses, and associated support services to Leesburg, leveraging the Town's strategic location and existing assets.

Sub-industries:

- **Research and Development (R&D):** Aviation and aerospace companies heavily invest in R&D for innovative technologies and products. Flex spaces can offer them the flexibility needed for experimentation and innovation.
- **Supply Chain Management:** Supply chain management operations enhance efficiency and reduce costs, given the complexity of aviation and aerospace supply chains.
- **Training:** Training centers support aviation and aerospace companies in training mechanics, engineers, and other personnel.

Facts about Aerospace and Aviation Industries:

- The aviation and aerospace industries are significant job creators, employing over 2.1 million people in the US and over 50,000 in Virginia.
- Virginia boasts several leading aviation and aerospace companies, including Boeing, Airbus, and Northrop Grumman, along with research institutions like the NASA Langley Research Center.
- The Leesburg area is home to many aviation and aerospace companies, including Dulles Airport, Orbital ATK, and Orbital Sciences.
- Leesburg is home to educational institutions that offer programs in aviation and aerospace, such as the Loudoun County Public Schools Aerospace Magnet Program and the Northern Virginia Community College Aviation Maintenance Program.

Incentives and Grants:

- **Loudoun County Aerospace Industry Tax Credit:** Available to aerospace companies creating new jobs and investing in facilities in Loudoun County.
- **Virginia Research and Development Tax Credit:** Offered to businesses conducting research and development activities in Virginia.
- **Virginia Department of Aviation (DOA) Airport Improvement Program:** Provides grants to Virginia airports for facility and infrastructure improvements.

Technology and Innovation

Focus on recruiting technology companies and startups operating in sectors such as software development, cybersecurity, data analytics, and telecommunications. Leverage the Town's educated workforce and proximity to educational institutions. As discussed in the Legacy Leesburg Town Plan (Chapter 2, p. 60), the Dulles Technology Corridor stands as a significant economic development asset. This conglomeration of tech companies draws talent from around the world and firmly places Northern Virginia on the global tech map. Given the Dulles Corridor's status as a hub for cloud computing and cyber-technology, owing to its proximity to federal agencies, a skilled labor pool, and robust infrastructure, Leesburg finds itself in a position of opportunity.

Sub-industries:

- Low-code/no-code platforms, cloud computing adoption, and the demand for AI and ML solutions are driving software development.
- The increasing frequency and sophistication of cyberattacks, the growing adoption of cloud computing and the Internet of Things (IoT), and the increasing popularity of remote work are all driving the growth of the cybersecurity industry.
- The increasing volume, velocity, and variety of data, the growing demand for real-time insights, and the increasing adoption of AI and ML solutions are growing industries in the data analytics.
- The rollout of 5G networks, the increasing adoption of cloud computing and the IoT, and the growing demand for streaming video and other high-bandwidth applications are expanding in the telecommunications market.

Facts about technology and innovation industries:

- The US technology and innovation industries employ over 11.9 million people, with over 400,000 in Virginia.
- Virginia hosts leading tech companies like Amazon, Google, and Microsoft, along with research institutions such as the University of Virginia, Virginia Tech, George Mason University, and George Washington University Virginia Science and Technology Campus.
- Communities in the region host many tech and innovation companies, including Periscope Aviation, Gigasheet, and EIT.
- Nearby educational institutions offer programs in technology and innovation, such as the Loudoun County Public Schools Computer Science Programs and the Northern Virginia Community College Computer Science Programs.

Incentives and Grants:

- **Virginia Jobs Investment Program (VJIP):** Grants for companies creating new jobs in Virginia, based on the number of jobs created and their average wage.
- **Virginia Investment Partnership (VIP):** Tax credits for companies investing in capital projects in Virginia.
- **Virginia Enterprise Zone Program (VEZ):** Tax benefits for businesses locating in designated enterprise zones, often found in economically distressed areas.
- **Virginia Innovation Partnership Program (VIPPP):** Grants to support research and development activities conducted by companies in Virginia.

Education and Research Institutions

Collaborate with educational institutions to establish academic programs, including satellite campuses, research partnerships, and specialized educational initiatives. This collaboration can enhance the Town's appeal as a center for learning and innovation.

This focus is important not only because there are many Leesburg residents with the academic credentials to work in academia, but also because the presence of such research institutions is synergistic with and supports other industries. Having educational institutions as part of the core, priority sectors sends a signal to the market about the quality of the workforce and the area's commitment to growing its tech and

entrepreneurial sectors.

Sub-industries:

- **Satellite Campuses:** As the cost of higher education rises and demand for education grows, satellite campuses offer students quality education within their local community, familiarizing them with the area. Additionally, they provide a pool of qualified graduates for local employers.
- **Research Institutions:** Playing an increasingly vital role in developing new technologies, research institutions serve as major job creators and drivers of economic growth.
- **Evolving Educational Programs:** In a constantly changing world with emerging technologies and industries, educational programs must adapt to prepare students for future job opportunities.

Facts about education and research industries:

- The education industry in the United States employed over 15 million people in 2021, serving as a major job creator.
- Virginia stands as a significant center for the education industry, hosting leading universities like the University of Virginia, Virginia Tech, and George Mason University. The state is also home to renowned research institutions such as the National Science Foundation.
- Surrounding communities host several educational institutions, including the Northern Virginia Community College Loudoun Campus, Shenandoah University Loudoun Campus, Janelia Research Campus, and satellite campuses like the George Mason University Center for the Arts and the University of Virginia School of Continuing and Professional Studies.

Incentives and Grants:

- **The Virginia Department of Education (VDOE):** Offers various grants to educational institutions, encompassing satellite campuses and research institutions, to support diverse programs and initiatives. These grants serve as catalysts for educational growth and innovation.

Implementation Plan

Plan Recruitment Strategy

- Identify suitable sites to promote to target industries
- Coordinate with property owners and brokers
- Adjust zoning for selected sites as needed for planned uses
Industry-specific zoning should be held inviolate and not changed
- Require highest and best use studies as a pre-condition for any zoning variances
- Develop high-level site plans outlining potential configuration for target industries
- Utilize ombudsman role to expedite targeted development

Industry Recruitment

- Create industry-specific marketing materials highlighting Leesburg's strengths
- Develop industry-specific incentive packages:
 - Relocation assistance
 - Recruiting support
- Host industry events and forums for networking and collaboration

Education Collaboration

- Identify potential educational institution partners, discuss collaborations
- Work with partner institutions to develop satellite campuses and research partnerships

Local Economy Strategy #2

Permitting Process Revisions



Objective Revise the permitting process to facilitate targeted investments and developments.

As developers pull back from the frenetic pace of new projects that characterized 2021 and 2022, attracting new investments has become highly-competitive. The best developers create the best projects – and quality projects benefit for the community, enhance the neighborhood’s aesthetic, and age well. Towns whose permitting processes imposes excessive costs, are time-consuming, or not transparent risks driving the best developers away to more accommodating communities.

Developers frequently stated that the Leesburg’s permitting process is more time-consuming and unpredictable than other surrounding communities. Local businesses and residents echoed these concerns, emphasizing the length and unpredictability of the process.

A complicated and lengthy permitting process puts the Town at a disadvantage—as developers will consider the complexity and timeline of a potential project when determining its feasibility.

Strategy

Leesburg has the opportunity to set itself apart from other communities by creating an environment that facilitates and encourages high quality development.

Appoint an Ombudsman for Priority Projects

Designate a dedicated point of contact responsible for overseeing priority projects through the permitting process. The Ombudsman would serve as a function/role within the Department of Economic Development, acting as a bridge between developers, businesses, and the Town, to facilitate effective communication, swift resolution of concerns, and streamlined decision-making.

An Ombudsman can:

- Investigate complaints from applicants who feel that they have been treated unfairly or that their project has been delayed.
- Provide mediation services to help applicants and agencies reach an agreement on a mutually agreeable solution.
- Educate the public about the permitting process and their rights as applicants.
- Help to increase public confidence in the permitting process by providing a way for applicants to voice their concerns and have them addressed.

A best practice from Urban Policy 2018 by the [Manhattan Institute](#) states:

“It's crucial to enhance the connection between city hall and residents, focusing on channels where residents seek information. Instead of assuming individuals will come to city hall, mapping and promoting these interaction channels – like using Waze for traffic updates or Facebook for recreation center news – is essential for effective permitting design. This approach acknowledges the evolving preferences of residents and maximizes engagement value.”

Permitting Consultant

An external expert can conduct an in-depth assessment of the permitting process to identify inefficiencies and opportunities for improvement and tailor improvements to the specific challenges and unique characteristics of Leesburg's permitting process, ensuring practical and effective enhancements. Permitting process updates will help position Leesburg as a proactive and developer-friendly Town, drawing positive attention that may lead to partnerships, investments, and increased economic activity.

An example of [a best practice](#) from Minnesota's permitting process is summarized by Charles Marohn, the founder of Strong Towns:

“When anyone submits an application for anything – zoning review, building permit, variance, subdivision request, etc. – the city has fifteen days to decide whether the application is complete. If there is something missing, they must let the applicant know in writing what that is. This has forced a level of efficiency on local governments who frequently create checklists and other aids for applicants and reviewers because, if no letter is sent within fifteen days, the application is deemed complete. Once there is a completed application, the local government has sixty days to render a decision. That's sixty days for all staff reviews, committee hearings, public comment, and any other part of the approval process.”

Implementation Plan

Process Updates

- Form a steering committee, including the Town and development community
- Engage a permitting consultant:
 - Gather input from stakeholders.
 - Assess the current permitting process and policies.
 - Update the Town codes, ordinances, policies, and procedures as necessary.
 - Train Community Development staff.
- Track key performance indicators:
 - Response time
 - Volume of total plan reviews
 - Quarterly in-depth review of three sample cases

Ombudsman

- Determine the conditions under which an ombudsman is appointed
Department of Economic Development provides input about strategic importance of projects
- Create policies outlining the role and authorities of the ombudsmen - highlighting the interaction between the Departments of Economic Development and Community Development.
- Department of Economic Development specifies criteria for granting variances to businesses from the requirement for highest and best use studies:
 - Greenfield vs. redevelopment
 - Scale of project
 - New vs. existing business/use

Local Economy Strategy #3

Outcome-Oriented Land Use Planning



Objective Land use planning ensures development leads to highest social and economic outcomes.

Legacy Leesburg projects that **about 1,600 acres of greenfield land remain available within Leesburg** (Chapter 2, p. 65). Land listed on CoStar, excluding parcels in residential areas and ones with existing structures, puts total available greenfield land at approximately 200 acres. Given the Town's limited land resources for development, it is not only wise but also imperative to adopt a strategic approach to maximize and safeguard the development potential of every parcel.

The real estate market in Leesburg remains exceptionally robust across all sectors with low vacancy rates and strong market rents:

| Building Type | Inventory (M sq ft) | Vacancy Rate | Market Rent (sq ft/yr) |
|---------------|------------------------|--------------|---------------------------|
| Office | 3.3 | 4.7% | \$29.32 |
| Industrial | 0.552 | 6.5% | \$20.49 |
| Retail | 5.2 | 2.7% | \$32.16 |
| Multi-Family | 3,393 (units) | 4.9% | \$1,909 (unit) |

CoStar – Q3, 2023

Based on the current markets, projects in any of these sectors would be successful.

As the acreage available for development is a fixed and declining commodity, the most critical criteria for land use planning is to determine which types of new developments would best serve the long-term interests of the community while still respecting the rights of property owners.

Based on feedback from the community and a comparison between the principles outlined in the Town Plan and existing practices, there are two primary challenges associated with the current zoning paradigm:

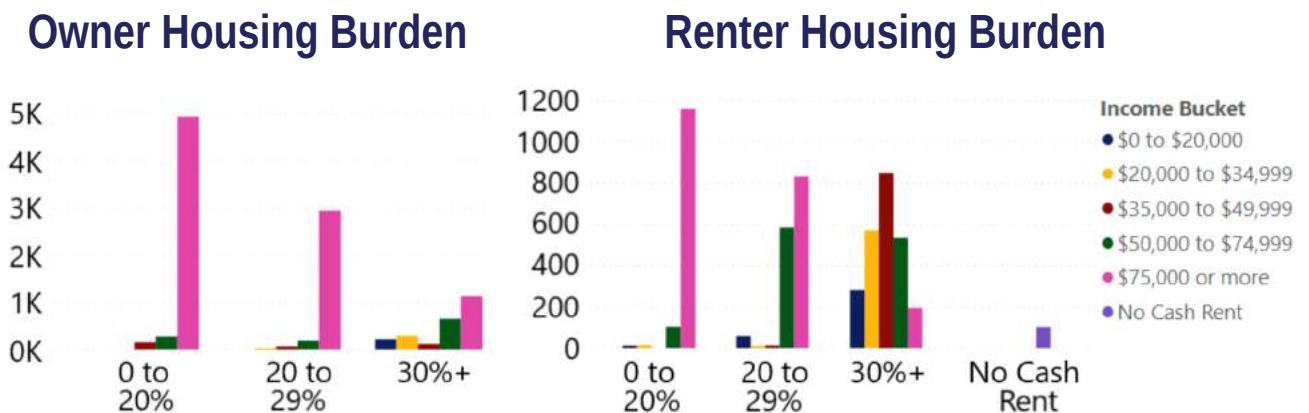
- **Unpredictability and Resource Inefficiency:** Zoning variances introduce unpredictability and inefficiencies into land use policies, resulting in the misallocation of both Town and developer resources. This unpredictability often leads developers to make investment decisions based on the hope of changing zoning regulations for their parcels.
- **Opportunity Cost of Under-Development:** With limited greenfield development opportunities, land that is granted a use that does not achieve the highest good for the Town at large represents an irretrievable lost opportunity. When parcels designated for commercial use are rezoned as residential – as has happened on many occasions in Leesburg – it has the lasting effect of permanently reducing the opportunity to expand employment within the Town.

Consistent application of land use policies yields predictable outcomes for developers and landowners. When developers perceive the possibility of obtaining variances for a property, it leads to an increase in exception requests and encourages investment decisions based on the prospect of altering zoning regulations.

Highly prescriptive and restrictive zoning, an artifact of car-centric land use philosophy, limits mixed-use applications that with their broad range of uses create density, provide greater housing options, catalyze innovate office and business spaces, increase economic vitality and support small entrepreneurs. While some restrictions – such as separating residential areas from heavy industry – are obvious and necessary, excessively restrictive zoning impedes creative development. Allowing for more flexible uses encourages innovative development that meets community needs provides favorable returns for developers.

Flexible uses can also drive unconventional housing options – benefiting the 30% of Leesburg residents who spend more than 30% of their income on housing.

Monthly Housing Costs as a Percentage of Household Income



Leesburg's comprehensive land use policies and regulations serve as guiding principles for shaping the Town's economic and community development landscape, influencing factors like location and intensity. While these policies significantly impact the costs incurred by residents and businesses, it is essential to recognize that they operate within a broader economic context. Multiple market factors, such as land acquisition (including demolition and potential environmental remediation), material and labor expenses, borrowing rates, return on investments expectations, and soft costs like design and entitlements, also play pivotal roles in development and its associated costs.

Strategy

Outcome-Focused Land Use Planning

- Create a comprehensive land use framework that clearly articulates desired outcomes for key properties within Leesburg.
- Identify priority properties and specify the desired outcomes for each, considering factors like economic growth, employment generation, and community vibrancy.
- Embrace the principles of flexible land use concepts. Direct developments to meet specific outcomes, such as square footage of office space, while retaining the flexibility to accommodate additional uses through densification or creative utilization of space.
- Permit residential units within flexible business spaces, ensuring that neighboring businesses are not adversely affected by their presence.
 - Mixed-use developments that include residential units can significantly enhance economic mobility by offering affordable housing options to entrepreneurs and lower-income residents. However, these housing units coexist with business activities, which may generate noise and other nuisances typically not allowed in strictly residential areas.
 - Adjust noise and nuisance ordinances to acknowledge that businesses have the right to conduct their normal activities, even if they impact residents in these developments. Residents choosing such accommodations must acknowledge and accept these impacts as part of the living conditions.

Zoning Variance Process Adjustments

Mandate that developers provide a comprehensive "highest and best use" analysis as a prerequisite for variance requests. This analysis should be conducted by an independent third party with a recognized reputation.

- **Scope of Analysis:** Ensure that the analysis encompasses all potential uses for the property, rather than solely focusing on the developer's intended use.
- **Total Social and Community Impact:** Define "highest and best use" as a measure of the total social and community impact of the development, emphasizing its contribution to the broader community beyond the developer's return on investment.
- **Small Business Exemption:** Exempt small businesses from the requirement for a "highest and best use" analysis, recognizing the distinct characteristics and constraints of smaller enterprises.

Implementation Plan

Targeted Zoning Reassessment

- Identify the priority undeveloped properties
- Establish minimum outcome requirements for each parcel to guide development
- Memorialize these requirements within the zoning code to ensure transparency and consistency
- Inform property owners and brokers of the desired uses to facilitate compliance
- Ensure there is sufficient acreage set aside for the uses identified in Local Economy Strategy #1 – Target Industry Recruitment

Outcome-Oriented Planning

- Modify land use ordinances to accommodate the intended use while allowing flexibility for additional uses
- Encourage and allow accessory dwelling units and non-conventional housing in non-residential zones where applicable
- Adjust noise and nuisance ordinances for mixed use developments to exempt businesses from what would be violations in a strictly residential neighborhood
- Eliminate the practice of proffering out certain future uses for a property both because it can run afoul of the principle of “nexus and rough proportionality” and also because it can have unintended consequences on future land use

Strengthen Zoning Conformity

- Implement a policy requiring a highest and best use study as a prerequisite for requesting a zoning variation.
 - Study to be paid for by developer – must evaluate all potential uses, not just the proposed one.
 - “Highest and best use” will be determined by the impact on property tax, employment, salaries, quality of life for surrounding residents, congestion, and synergy with adjacent uses
- Department of Economic Development to determine exemptions to the requirement for a study including for the following situations:
 - Existing small business
 - Minor changes in land use
 - Redevelopment that is consistent with overall land use plans

@vpdrone

Local Economy Strategy #4

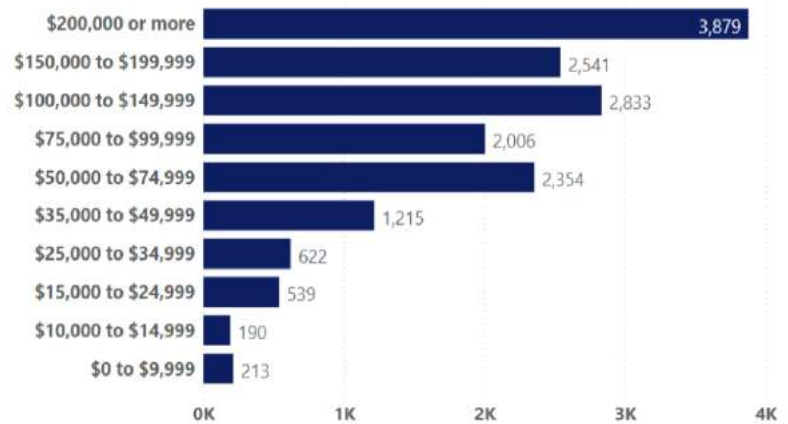
Tech Incubation & Accelerators



Objective Create a tech incubation and/or accelerator program(s) to facilitate local entrepreneurship and successfully launch new businesses.

In 2021, Leesburg median income was \$116,350, lower than Loudoun County’s \$156,821 but 45% higher than the state average of \$80,615. Beneath that impressive headline number is the reality of the struggles of the 20% of residents who earn less than \$75,000 per year in a market where the median market rent is \$1,900.

Household Income & Earnings



Incubation and accelerator programs have the potential to act as catalysts for entrepreneurship, innovation, and community development, provided they operate in a conducive environment with the right conditions. A healthy entrepreneurial ecosystem can be a primary bridge from low / moderate incomes to higher incomes.

Leesburg possesses a number of assets that position it to become an effective innovation and entrepreneurship hub. These assets include:

- A highly educated and successful mid-career workforce
- Access to capital
- Proximity to institutions of higher learning

Incubators and accelerators serve as valuable mechanisms for nurturing local talent and harnessing the power of technology to propel the growth and success of startup ventures. In 2011 the Town of Leesburg opened the Mason Enterprise Center (MEC), operated by George Mason University, as a local incubator. While the MEC was a valuable resource for startups and small businesses and helped many companies grow and succeed, it functioned primarily as a facility for housing businesses and therefore became obsolete when new co-working spaces were developed in Loudoun County – leading the Town of Leesburg and Loudoun County to discontinue funding for the MEC in 2022.

A business incubator or accelerator sets itself apart from a co-working space through its comprehensive programming. While co-working spaces offer shared workspace and amenities, business incubators and accelerators provide a structured environment with specialized programs aimed at nurturing startups and small businesses. These programs often include mentorship, access to capital, educational resources, and networking opportunities. The key differentiator lies in the ultimate goal: business incubators and accelerators are designed to help startups grow and graduate from their programs and moving out of the incubator/accelerator. This emphasis on transitioning businesses to independent commercial spaces is critical to the success of the program – as it enables a new cohort of businesses to cycle through the program on a regular basis – and also benefits the larger community by stimulating economic growth by moving these new businesses into the local business landscape.

Incubators

Programs for long-term support to early-stage startups, typically 1-2 years.

They provide a comprehensive range of resources, including office spaces, mentorship, educational opportunities, and connections to potential investors. Incubators aim to nurture and guide startups through their formative stages.

Accelerators

Programs that follow a more rapid and intense approach, lasting 3-4 months.

They provide a focused curriculum, intensive mentorship, and direct access to investors. Accelerators are designed to expedite the growth of startups, positioning them for rapid expansion and long-term success.

To expand the supply and diversity of local jobs, Legacy Leesburg Town Plan (Chapter 3, p. 111) emphasizes that a wide range of physical work spaces should be promoted. Therefore, the Town will:

- Promote new flex space developments
- Promote the availability of spaces for entrepreneurs and start-up businesses
- **Encourage creation of business incubators & co-working spaces**
- Prepare an economic development strategy focused on attracting jobs and investment
- Identify and leverage opportunities to continue assisting small business growth and development in Leesburg.

Strategy

Establish Incubator and/or Accelerator Program(s)

Create incubator and/or accelerator programs within Leesburg to foster and promote entrepreneurship, particularly among mid-career professionals. This group brings valuable industry experience, networks, and expertise, enhancing the potential for successful startup ventures.

According to the [Brookings Institution](#), “the Washington-Arlington-Alexandria, DC-VA-MD-WV area ranked eighth among similar regions in terms of the number of accelerators between 2005 and 2015. There are over [2,100](#) incubators and accelerators in the United States in 2022. The number of these programs has been growing rapidly in recent years, and they are now an essential part of the startup ecosystem.”

Implementation Plan

Strategic Plan

- Create a steering committee with stakeholders from the investment community, successful startups, tech companies, and academic institutions.
- Determine which model (accelerator or incubator) to implement.
Will largely depend upon partners and the resources they bring as well as the community needs as determined by the steering committee.

Partnerships and Resources

- Develop partnerships:
 - Educational institutions
 - Technology companies
- Create a business plan to run program
- Identify resources to support the program
- Select and setup space for the program
- Identify similar program and obtain their curriculum, customize as desired

Promotion and Recruitment

- Recruit participants
- Create materials and a campaign to promote Leesburg as a tech hub
- Sponsor information / networking events

6

Local Tourism

The four strategies outlined in this section form a cohesive framework to accomplish the following goals:

- Revitalize the downtown area to create a focal point for community life and attract more visitors
- Increase visitor numbers
- Foster economic growth within the community
- Make Leesburg a more vibrant, attractive, and memorable destination



Rodney Brown | Visit Loudoun

Tourism Strategy #1

Town Square



Objective Transform the Loudoun County Courthouse Lawn into a **Town Square** to entice residents and visitors to spend time downtown.

Historical downtowns have a rich tradition of being anchored around a central gathering place, often in the form of a town square. These central locations are not only physical centers but also the cultural and social hearts of the community, symbolizing the town's identity and vitality.

In the case of Leesburg, Virginia, the Loudoun County Courthouse Lawn once played this pivotal role as the Town's central gathering place. It was the heartbeat of the community, a place where residents came together to celebrate, socialize, and connect.

Today, Leesburg faces a challenge that many historic towns encounter – the absence of a vibrant town square in its downtown area. This void limits its potential as a dynamic and inviting destination for both residents and visitors.

There is a unique opportunity to breathe new life into Leesburg's downtown area by transforming the Loudoun County Courthouse Lawn into a captivating town square once again. Situated strategically at the intersection of Market Street and King Street, this historic location holds immense potential for reestablishing itself as the vibrant hub it once was.

A thoughtful transformation of the Courthouse Lawn can rekindle the spirit of its historical downtown, drawing in people from all walks of life. Such a revitalization effort would not only honor the Town's past but also shape its future, making it a welcoming and lively destination where residents and visitors alike can gather, celebrate, and create lasting memories.

Town Square contributes to:

- **Community Character:** The town square will contribute to the Town's overall character and distinctiveness, fostering a sense of pride and belonging among residents.
- **Foot Traffic and Economic Growth:** A visually appealing town square will attract more visitors to the downtown area, benefiting local businesses and encouraging the establishment of new ones, leading to economic growth and job creation.
- **Community Engagement and Social Gathering:** The town square will provide a space for residents to come together, interact, and participate in various events and activities, strengthening community ties.
- **History and Culture:** Incorporating elements from Leesburg's history into the public space and choosing a piece of public art that honors the Town's rich past and infuses a sense of dynamism and contemporary vibrancy will pay tribute to the Town's historical roots and elevate the downtown area's allure.

Strategy

Revitalize the Town Square

Whether through the installation of public art, other amenities, and programming efforts, activate the Loudoun County Courthouse Lawn as a community gathering place – a vibrant town square.

A variety of possible features could make the Courthouse Lawn a focal point of downtown as the town square. Potential features include (but are not limited to):

- **Water Feature**
- **Public Art** Sculptures, murals, or art installations enhance aesthetics and to celebrate the Town's heritage
- **Stage**
- **Playground**
- **Information Kiosk**
- **Market Stalls**
- **Wi-Fi and Charging Stations:**
- **Bike Racks**
- **Interactive Features:** Chess tables, games, or interactive exhibits for engagement.
- **Iconic Photo Backdrop**

Potential Steps

Community Visioning

- Engage residents, businesses, and organizations in a visioning process.
- Establish a committee composed of Town Council members, County officials, business owners, artists, historians, and community leaders to guide the visioning process.

Public Art Selection

- Utilize the Public Arts Commission to curate and select public art proposals that celebrate the town's heritage and align with the community's vision.
- Create an iconic photographic space that would serve as visitor attraction.
- Involve the community in the selection process through public exhibitions and input sessions.

Artist Collaboration

- Collaborate with local and regional artists.

Promotion

- Organize a grand opening ceremony to unveil the public art installation.
- Promote the public art installation through partnerships with local businesses and tourism organizations.

Implementation Plan

Partnership

- Initiate discussions with County officials regarding the transformation / revitalization of the Courthouse lawn
- Present evidence of public interest in the project, through surveys or public feedback
- Collaboratively define roles, responsibilities, and financial commitments for all parties

The Legacy Leesburg Town Plan emphasizes that “Public Art provides great value to a community and is directly connected to the Town Character and Authenticity. Public art will help Leesburg provide a high-quality brand and sense of place. In addition, public art can inspire, define, and strengthen the economy. Research shows that arts travelers are the perfect tourists, staying longer and spending on meals, retail, and lodging throughout the Town. Investment in public art can bring back two to three times in value” (1.3.1).

Tourism Strategy #2

Event Calendar & Tourism Info

@jeffvogtphoto



Objective Provide a centralized information source and calendar that tourists and community members can use to easily learn about local events.

In the digital age, social media and online promotion are vital tools for communities aiming to attract tourists. Platforms like dedicated websites, Facebook, Instagram, and X (formerly Twitter) offer towns the means to engage potential visitors by sharing comprehensive information about local attractions, events, and businesses.

Leesburg benefits from the promotion efforts of different organizations:

- **The Town of Leesburg** maintains a robust online presence, encompassing a dedicated website, a Facebook page boasting ~ 20,000 followers, an Instagram account with ~ 5,000 followers, a prominent X profile counting ~ 10,000 followers, a LinkedIn page with ~ 2,000 followers, and a YouTube channel with ~ 1,000 subscribers.
- **The Economic Development Department** also contributes actively, operating its own website, a Facebook page with ~ 3,000 followers, an Instagram account boasting ~ 1,500 followers, a presence on X with ~ 100 followers and YouTube with ~ 400 subscribers.
- **Loudoun County** employs various websites, a Facebook page with roughly 30,000 followers, and a X profile counting ~ 20,000 followers to bolster the promotion efforts of all towns in the County.
- **Visit Loudoun** engages through its website, a Facebook page boasting ~ 50,000 followers, a substantial X profile with ~ 37,000 followers, and an Instagram account with an impressive 30,000 followers.
- **The Leesburg Main Street Movement** contributes through its own website, Instagram, and Facebook page, while individual businesses maintain their websites and social media accounts to promote their venues and events.

Strategy

Event Calendar

A single-source event calendar can significantly boost tourism by providing a centralized and comprehensive platform for visitors to discover all the events, activities, and attractions the Town has to offer.

- **Ease of Access:** A single-source event calendar makes it easy for tourists to access up-to-date information about what's happening in the Town.
- **Complete Information:** It aggregates details about various events to ensure that tourists are well-informed about all the options available to them during their visit.
- **Convenience:** Tourists don't have to navigate multiple websites or sources to find events. They can access a one-stop-shop for everything they need, saving time and reducing the frustration of searching across multiple platforms.
- **Planning:** Visitors can better plan their trips, knowing when and where events are happening. This allows them to align their travel dates with events they're interested in attending.
- **Exploration:** In addition to major events, tourists can discover lesser-known, but equally enjoyable, local activities, thereby encouraging them to explore and engage more with the community.
- **Extended Stays:** Tourists who find numerous appealing events may decide to extend their stays, boosting the local economy through increased spending on accommodation, dining, shopping, and more.

The objective is to simplify the tourism experience, making it more enjoyable and efficient for visitors to plan a trip to Leesburg. This convenience not only attracts more tourists but also encourages them to stay longer, spend more, and become more involved in the local community, ultimately boosting the destination's tourism industry and economic impact.

Tourism Information Hub

Develop a Tourism Information Hub as a marketing platform that serves as a one-stop resource for information about Leesburg's attractions and upcoming events.

The Tourism Information Hub can enhance the overall experience of visitors by simplifying the process of discovering, planning, and enjoying their stay in Leesburg. Tourists can access a comprehensive and updated guide to all the attractions and events in one place, eliminating the need to search across various sources. This convenience contributes to a smoother and more enjoyable visit.

- **Support for Local Businesses:** Local businesses, including restaurants, shops, and service providers, would be featured to increase visibility and promote their special offers or events.
- **Community Engagement:** A unified platform encourages community members to explore their own Town. It helps residents stay informed about local events and attractions, fostering a sense of belonging and participation in community

- activities.
- **Consistency and Reliability:** With a unified marketing platform, there's consistency in the information presented to visitors. This reliability builds trust, as tourists know they can depend on the platform for accurate, up-to-date details about what's happening in town.
- **Promotion:** This platform can be leveraged as part of a larger marketing strategy to proactively promote Leesburg to day-trip visitors and encourage visitors to explore the Town.

Implementation Plan

Event Calendar

- Create systematic way to collect information about planned events from community partners
- Identify a software platform that enables the Department of Economic Development to regularly update a publicly accessible event calendar
- Implement cross-promotion of events among participating entities to boost visitor engagement
- Add links to the Town's event calendar on the Town's website and other platforms. Include events organized by a wide variety of community partners

Tourism Information Hub

- Develop a centralized platform (e.g., a dedicated website, "bewith.io", "ITI Digital", or similar platform) listing and promoting all Leesburg events and attractions
- Create marketing strategy for promotion of Leesburg events and attractions, include strategies for A/B marketing and tactics to increase User Generated Content for marketing
- Create consistent messaging that leverages the "Locally Leesburg" branding
Example: #locallyleesburg

Tourism Strategy #3

Developments to Boost Visitation



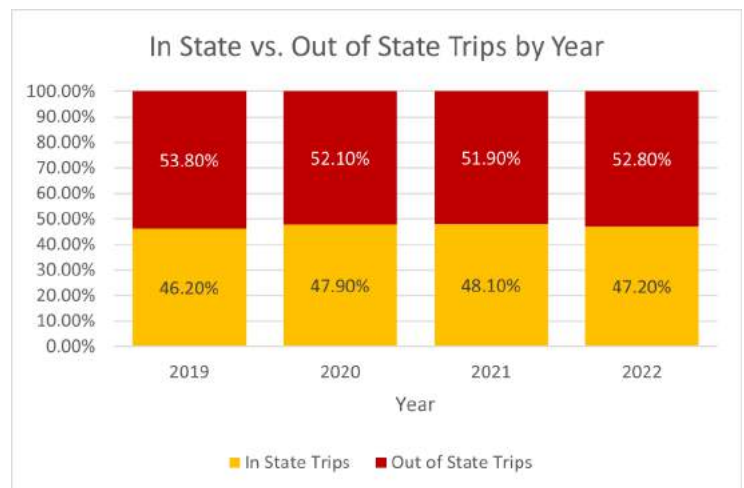
Objective Attract developments to increase visitation, including a boutique hotel and a multi-use event facility.

According to cellphone geolocation data, the total addressable market for tourism for Leesburg is 7 million + visitors every year. Leesburg has a strong foundation for tourism with a substantial number of visitors and popular venues. The local tourism industry in Leesburg also has the potential for further growth and development.

The following visitation analysis findings are based on the geolocation data provided in Appendix c.

Tourism Demographics

Leesburg is a popular destination for both in-state and out-of-state visitors, with over 4 million visitors in 2022. Out-of-state visitors account for the majority at 52.8%, while in-state visitors make up 47.2% of the total tourist population.



Peak Tourist Seasons

The most common months for visitation in Leesburg are December, May, June, July, and August. These peak months represent 40% of the year but experience 60% of the total visitors.

Visitor Trends by Day of the Week

Weekends are the prime time for visitors with Saturday visitors accounting for 22.5% visitors, followed by Sunday with 16.2%.

Increasing the number of visitors during the weekdays represents a significant opportunity because most of the venues are underutilized during those days so incremental traffic would require no further investment in space or labor.

Visitor Length of Stay

Over the past four years, most visitors to the Town opt for day trips, accounting for approximately 75-77% of all visits.

| Highest Monthly Volume | | | | |
|------------------------|--------|-------|--------|--------|
| Year | 2019 | 2020 | 2021 | 2022 |
| January | 4.70% | 9.98% | 6.73% | 4.68% |
| February | 4.86% | 8.46% | 4.68% | 4.10% |
| March | 7.63% | 6.99% | 6.93% | 5.20% |
| April | 8.45% | 4.27% | 6.31% | 7.20% |
| May | 10.85% | 6.63% | 7.56% | 11.80% |
| June | 9.65% | 7.94% | 9.57% | 12.59% |
| July | 10.28% | 9.90% | 12.38% | 12.76% |
| August | 9.40% | 8.90% | 10.64% | 11.51% |
| September | 8.10% | 8.38% | 6.07% | 6.95% |
| October | 7.76% | 9.46% | 7.11% | 7.49% |
| November | 7.98% | 9.14% | 9.40% | 8.24% |
| December | 10.31% | 9.90% | 10.40% | 11.41% |

| Weekday vs. Weekend | | | | |
|---------------------|--------|--------|--------|--------|
| Year | 2019 | 2020 | 2021 | 2022 |
| Sunday | 15.40% | 15.22% | 16.19% | 16.16% |
| Monday | 11.27% | 11.50% | 10.74% | 10.70% |
| Tuesday | 11.56% | 11.59% | 10.63% | 10.77% |
| Wednesday | 11.36% | 12.59% | 11.31% | 12.19% |
| Thursday | 12.30% | 12.15% | 11.50% | 12.05% |
| Friday | 16% | 15.28% | 16.50% | 15.52% |
| Saturday | 22% | 21.55% | 23% | 22.50% |

| Length of Stay | | | | |
|----------------|--------|--------|--------|--------|
| Year | 2019 | 2020 | 2021 | 2022 |
| Day Trip | 74.80% | 75.70% | 73.80% | 76.80% |
| 2 Days | 7% | 6.50% | 6.40% | 6% |
| 3 Days | 4.50% | 4.40% | 5.30% | 3.90% |
| 4 Days | 3.30% | 2.80% | 3.60% | 2.80% |
| 5 Days | 2.40% | 2.40% | 2.70% | 2.30% |
| 6+ Days | 8% | 8.20% | 8.20% | 8% |

Strategy

Recruit a Boutique Hotel to the Downtown

The primary objective is to attract an upscale full-service boutique hotel with a bar and restaurant to Downtown Leesburg, offering a range of 50 to 70 rooms.

- Stimulate weekday traffic and enhance commercial activity in the downtown area.
- Cater to both business and leisure travelers, providing a unique and high-quality experience reflective of Leesburg's heritage.

Boutique hotels in downtown areas offer a rich blend of history, culture, and unique

experiences. These hotels actively support local artists and host community events, contributing to the cultural vibrancy of downtown neighborhoods. Moreover, they often feature on-site restaurants and bars that become culinary destinations, benefiting neighboring eateries. By encouraging guests to explore on foot, boutique hotels increase pedestrian traffic, promoting local shops and attractions. Their commitment to sustainability and local sourcing strengthens the Town's green initiatives and supports nearby businesses. Beyond economics, these hotels serve as catalysts for downtown revitalization, attracting complementary businesses and elevating property values. With a diverse appeal catering to various travelers, boutique hotels enrich the cultural fabric of downtowns and enhance their overall walkability and connectivity, making them attractive destinations for both residents and visitors.

Hospitality Market

A hotel located in downtown Leesburg could act as a key catalyst in encouraging visitors to extend their stay and lead to more hotel nights. While day trips remain the dominant choice, offering overnight lodging in the heart of the Town can attract tourists looking for a more immersive experience.

In the heart of Leesburg, there exists a noticeable gap in the hospitality product available to visitors. While the Town boasts several commendable mid-range hotels, within an 8.2-mile radius of the downtown area, higher-end hotel options are conspicuously absent. This vacancy presents a unique opportunity to establish a downtown hospitality experience that not only reflects Leesburg's rich history, culture, and character but also delivers an exceptional standard of quality, thereby catering to a discerning clientele.

As stated in [Legacy Leesburg Town Plan](#) (Chapter 2, p. 57), Leesburg's hotel landscape comprises six nationally recognized brand hotels with a total of 571 rooms at present. Within this inventory, Leesburg's hotel offerings primarily consist of economy, limited service, and suite products. Notably, there is a conspicuous absence of luxury or upscale boutique hotels, with the most recent addition being the Home2 Suites by Hilton. According to data provided by Visit Loudoun, Leesburg's existing hotels have been performing well, underscoring the Town's appeal as a destination.

Establish a Multi-Use Event Facility

Develop a versatile multi-use event facility with a seating capacity ranging from 500 to 800 attendees.

- Serve as a dynamic hub for various business and leisure activities, including conferences, conventions, cultural events, and more.
- Attract a broader audience, boosting downtown visitation and benefiting local businesses.

A white paper that compares a multi-use event center and a performing arts center use is included in the Appendix D.

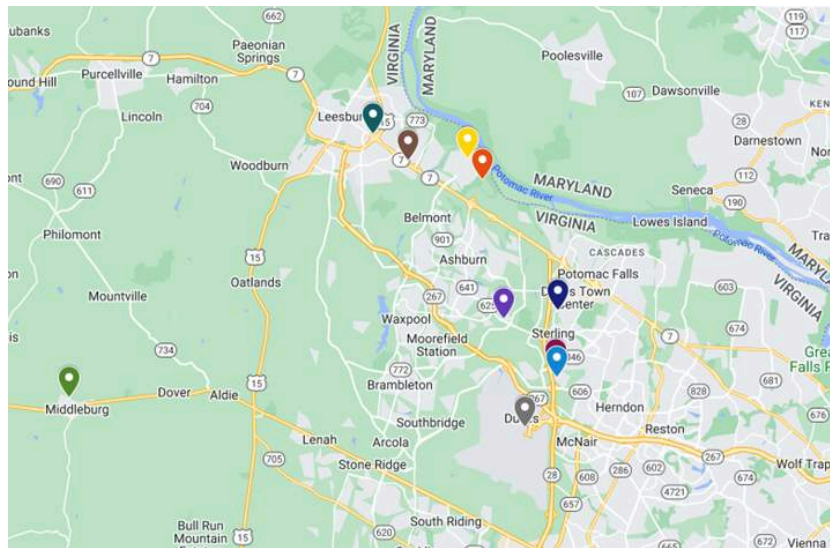
Benefits of attracting a multi-use event space to the Town:

- **Flexibility and Adaptability:** A multi-use space accommodates various events, ensuring year-round utilization.
- **Business-Friendly Destination:** Attracting business travelers enhances Leesburg's reputation and boosts the local economy.
- **Community Engagement and Cultural Enrichment:** The event space supports local performances, fostering community engagement and cultural enrichment.
- **Collaboration with Local Industries:** Integrating with local industries, like vineyards and weddings, fosters mutual growth and support.

Event Facility Market

Leesburg stands to benefit significantly from the addition of a Multi-Use Event Facility. Such a facility would stimulate the local economy by attracting a variety of events, including conferences, exhibitions, trade shows, concerts, and cultural performances. These events would draw visitors to Leesburg, leading to increased spending on accommodations, dining, and shopping, ultimately boosting local businesses.

The facility would also contribute to increased tourism. By hosting events that draw regional and even national attendees, Leesburg would be put on the map as a destination for tourists. Having a multi-use event facility adds diversity to the Town's offerings, making it more appealing for different demographics and interests. It complements the existing amenities and services, making Leesburg a more well-rounded and attractive place to live and visit.



| | name |
|----|--|
| 1 | Best Western Leesburg Hotel & Conference Center |
| 2 | Clarion Hotel & Conference Center Leesburg |
| 3 | DoubleTree by Hilton Hotel Sterling - Dulles Airport |
| 4 | Embassy Suites by Hilton Dulles North Loudoun |
| 5 | Executive Conference & Training Center |
| 6 | Holiday Inn Washington-Dulles Intl Airport, an IHG Hotel |
| 7 | Lansdowne Resort |
| 8 | Salamander Resort & Spa |
| 9 | The National Conference Center |
| 10 | Washington Dulles Airport Marriott |

Implementation Plan - both Hotel and Event Center

Feasibility Study

- Assess market share potential, revenue projections, and project financial viability
- Determine the level of public participation required to attract a developer
- Create project capital stack

Site Selection and Zoning

- Identify and assess potential locations (including the Liberty lot), considering accessibility, parking and commercial synergies
- Work with Planning Commission to ensure site zoning aligns with the project
- Utilize ombudsman role to expedite permitting and entitlement

Public Private Partnership

- Create developer project incentives (tax increment financing, infrastructure donations, payment in lieu of taxes, etc.)
- Prepare and publish a project RFQ with project scope, projected pro-forma, projected capital stack and public participation
- Actively recruit developers to respond to the RFQ

Tourism Strategy #4

Venue Cross-Visitation



Objective Provide convenient transportation to increase visits to Downtown from visitors to the Village at Leesburg and Premium Outlets.

The Leesburg Premium Outlets, Village at Leesburg, and Downtown are the three most popular destinations in Leesburg. In 2022, Leesburg Premium Outlets attracts the highest number of visitors, with 15.9% of total visitors, followed by Village at Leesburg with 11.43%, and Downtown Market Station with 7.10%.

| Year | Top POIs | | | |
|--------------------------|----------|--------|--------|--------|
| | 2019 | 2020 | 2021 | 2022 |
| Leesburg Premium Outlets | 16.0% | 13.23% | 17.23% | 15.90% |
| Village at Leesburg | 13.84% | 12.83% | 12.56% | 11.43% |
| Downtown Market Station | 5.94% | 6.28% | 7.14% | 7.10% |
| Airport | 1.58% | 1.80% | 0.96% | 0.82% |

Despite its appeal as a unique, authentic destination, Downtown Leesburg has lower visitation compared to other two venues.

At present, only 10% of out-of-town visitors who visit Downtown, the Village at Leesburg, or Premium Outlets go to any of the other locations. Out-of-town visitors drive from at least 25 miles away and after they have invested so much in the outing, not capturing more of them for additional activities within the Town represents a lost opportunity.

Increasing cross-visitation among the three major destinations would generate higher revenues per visitor and leverage the tourism that is already happening. The challenge of finding parking is often cited as a key impediment to visiting Downtown. While the difficulty of parking Downtown is likely rooted in perception as much as reality, the fact that it is so frequently mentioned indicates that it is impacting visitation.

A transportation service that takes visitors between the Town's various commercial centers would enhance accessibility, reduce traffic congestion, and encourage visitors to explore multiple locations within the Town, and boosting economic activity in local businesses. The transportation service would eliminate the concerns and challenges with parking – allowing a multiple of current volumes with little impact on strained parking.

While there are many possible modes of transportation that could cover the physical distance between the three venues (2.5 miles from the Village at Leesburg to the Leesburg Premium Outlets and 2.2 miles from the Outlets to the Courthouse), the mode that is chosen should be forward-looking and add prestige to the Town.

While no current EV self-driving platforms are able to economically and operationally deliver on their immense promise, the technologies are evolving quickly and within a few years there will be many alternatives that provide a transportation service that is auspicious, cost effective, safe and convenient.

If planning and evaluation begins immediately, by the time the program is ready to launch, the new technologies should be sufficiently mature to be operationally sustainable.

Ideally, the transportation service would be provided free of charge to maximize utilization and create excitement around the Town. Because an increase of cross-visitation will lead to increased traffic at all three venues, sales tax revenues will increase and property tax valuations will increase for the Town's retail and restaurant businesses. Financial modeling can determine to what extent these increases in revenue can offset the operational and capital costs of providing the transportation service.

Strategy

Explore Cost-Effective Transportation Alternatives

Priorities to guide selection of which transportation alternative to adopt include:

- **Free or Inexpensive:** To encourage usage from both visitors and residents
- **Innovative and Unique:** Promote Town's public transit as a tourist attraction
- **Eco-Friendly:** Align with sustainability goals and contribute to cleaner air

An Alternative: Electric Self-Driving Taxi Service

- Pilot programs have demonstrated that the novelty of self-driving vehicles motivates initial ridership and service utilization.
- Long-term growth in sales tax revenues from increased traffic and higher property tax valuations of Leesburg's retail and restaurant businesses, could potentially offset some of the cost of providing this service at no charge.

“It has been estimated that by roughly 2040 autonomous vehicles will be the norm. In Downtown and mixed-use centers that offer the concentration of people and destinations to support on-demand service, Stantec’s mobility innovation team projects that a typical household can save roughly \$5,000 for each vehicle it no longer needs to own as it relies instead on SAVs for mobility.” (Legacy Leesburg, Chapter 1, p. 25)

Benefits of Electric Self-Driving Taxis

- **Enhanced Accessibility:** Convenient mode of transportation that increases accessibility to Downtown Leesburg for visitors from the Village at Leesburg and Premium Outlets.
- **Reduced Parking Congestion:** Reduced reliance on personal vehicles, alleviates parking demand and congestion, optimizing parking infrastructure for both locals and visitors.
- **Sustainability:** Zero tailpipe emissions.
- **Increased Safety:** Advanced sensor systems and AI algorithms eliminate accidents caused by human error - such as distracted or impaired driving. Because they follow traffic rules consistently and predictably, they create safer road conditions.

Challenges and Solutions

- **Technology:** Advances in autonomous systems will enhance self-driving taxis, ensuring safety, reliability, and cost-effectiveness. Progress towards Level 5 autonomy (full automation) is expected by 2035-2040, reducing ownership and operational costs.
- **Public Acceptance:** Concerns about autonomous technology and ensuring a positive user experience in self-driving taxis, including ease of use and passenger comfort, can be addressed through education. Greater public acceptance of the self-driving taxi services will happen over time.
- **Charging Infrastructure and Regulations:** Developing robust charging infrastructure and supportive regulatory frameworks would facilitate widespread adoption of electric and autonomous transportation as part of the long-term vision.

Implementation Plan

Determine Feasibility

- Assess technical feasibility:
 - Routes
 - Environmental Impact
 - Safety
- Involve the community through consultations and surveys
- Assess legal and safety requirements
- Create project pro-forma
- Secure financial support from investors, businesses, and grants
- Establish partnerships for pick-up and drop-off locations
- Obtain necessary permits and approvals for the operation
- Prepare a detailed Request for Proposal (RFP)

7

Appendices

Appendix A: Prior Plans

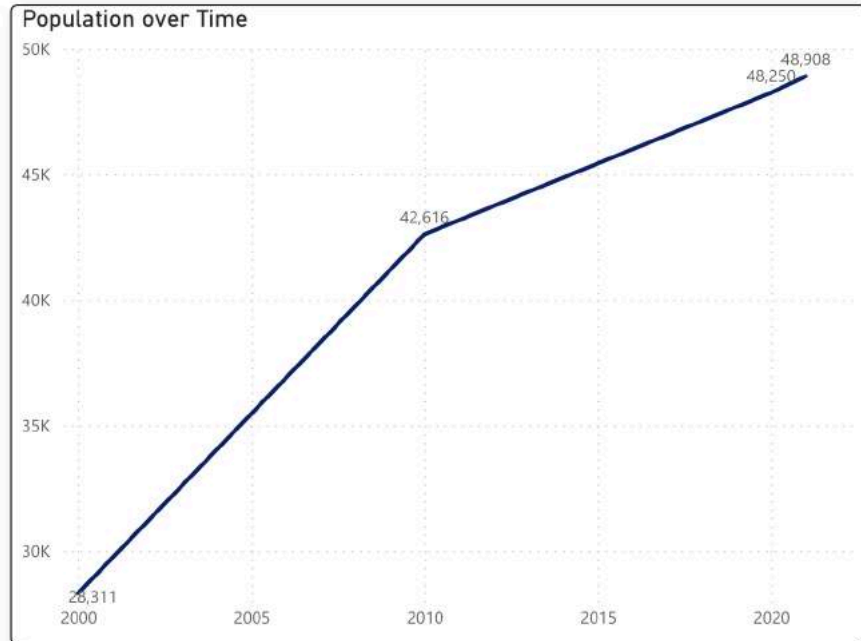
The following prior plans were reviewed by the planning team to provide a framework to leverage past insights and create a more comprehensive and impactful strategic plan.

Reviewed Past Plans

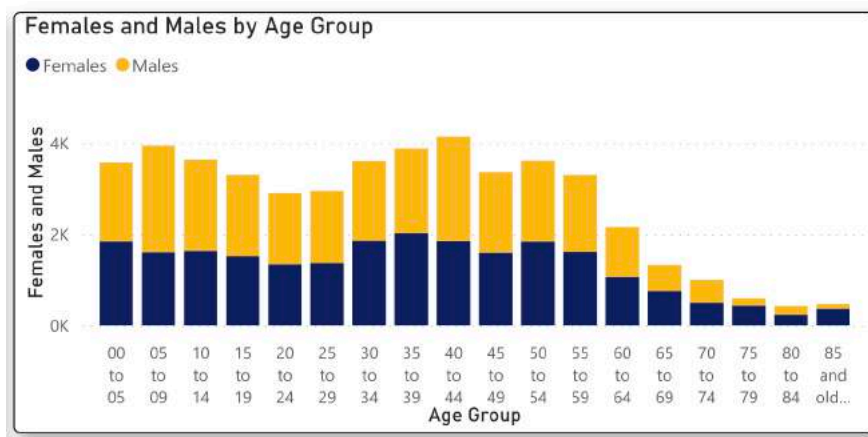
- Leesburg Town Plan (2012)
- Legacy Leesburg Town Plan (2022)
- Legacy Leesburg Transportation Improvement Plan (2022)
- Loudoun County ED Strategic Plan (2023)
- Strategic Plan for Economic Development of the Commonwealth of Virginia - Executive Summary & Recap (2021-2025)
- Visit Loudoun Strategic Plan (2023-2025)
- Visit Loudoun Strategic Planning Update for Leesburg (2022)

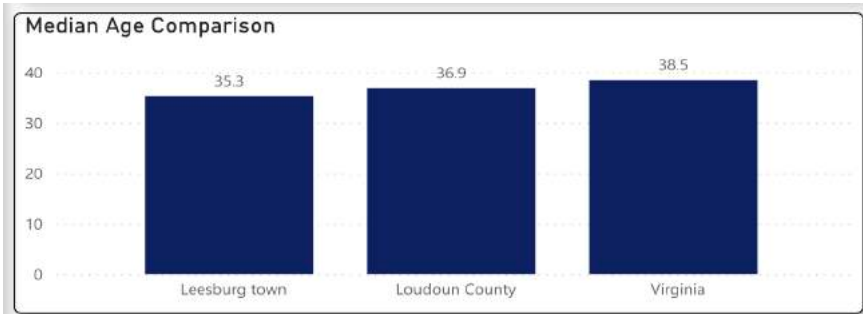
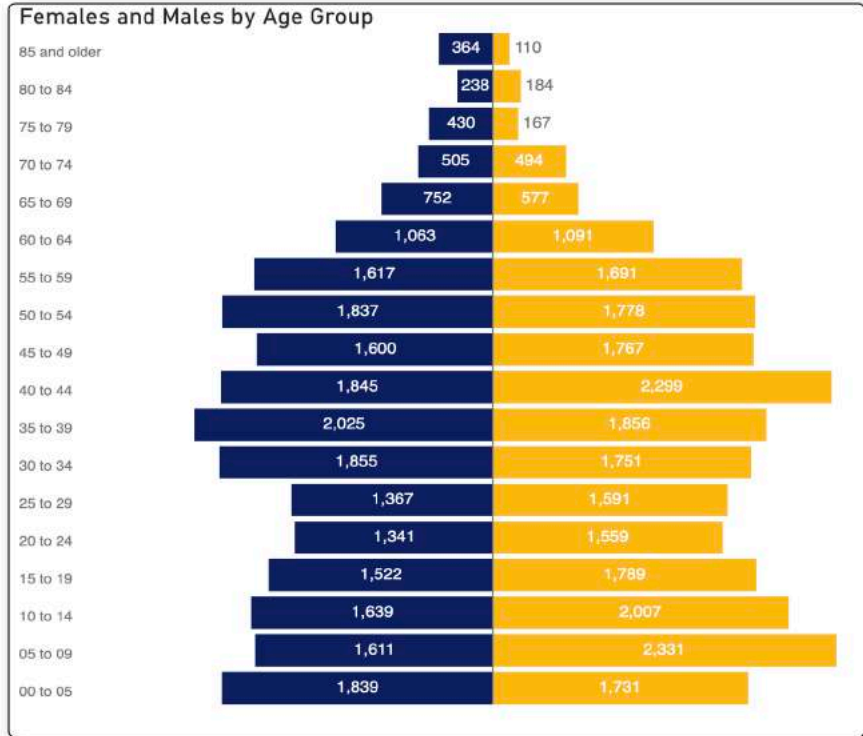
Appendix B: Census Data

The following data from the U.S. Census Bureau - 2021 American Community Survey were used in the economic and demographic analysis. This analysis helped guide the questions asked to local stakeholders, and the development of the strategies in this plan.



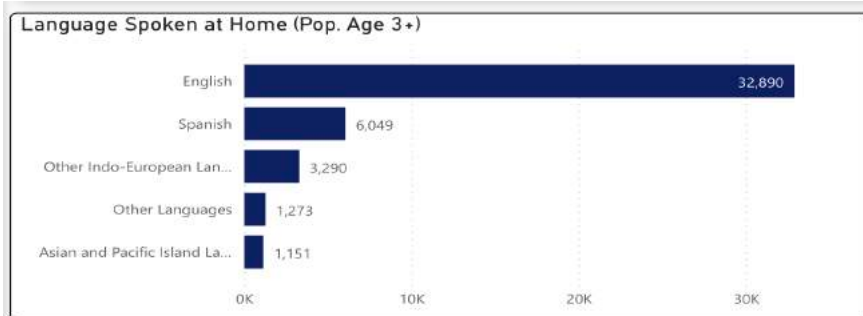
| | | |
|---------------------|--------------------|-------------------|
| 48,223 | 48,413 | 190 |
| Resident Population | Daytime Population | Daytime Gain/Loss |





Minority Percentage

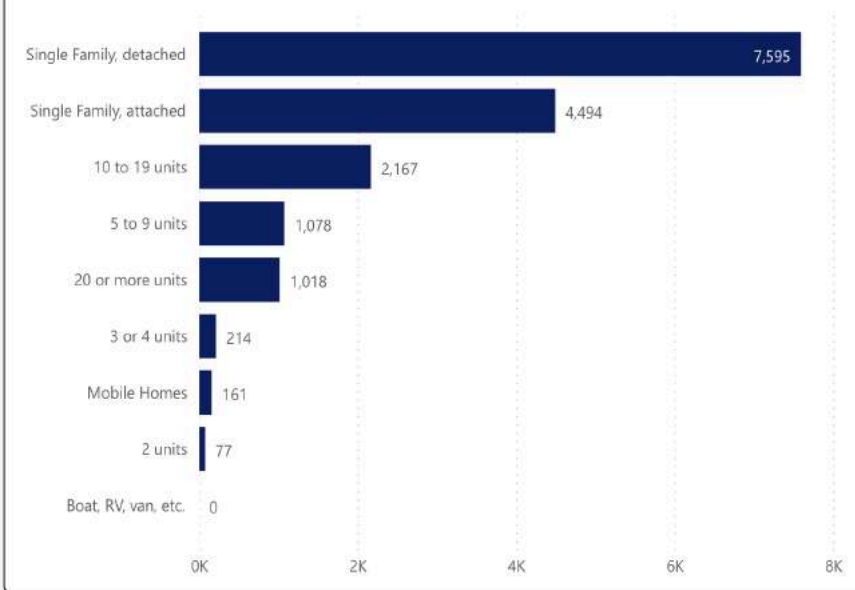
40.25%



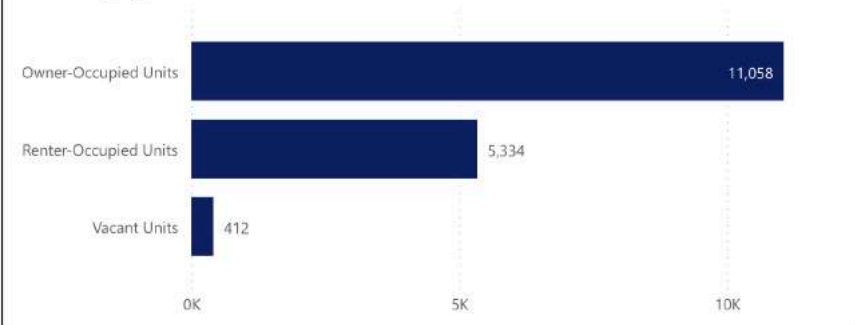
16,804
Total Housing Units

1,355.64
Housing Units Per Square Mile

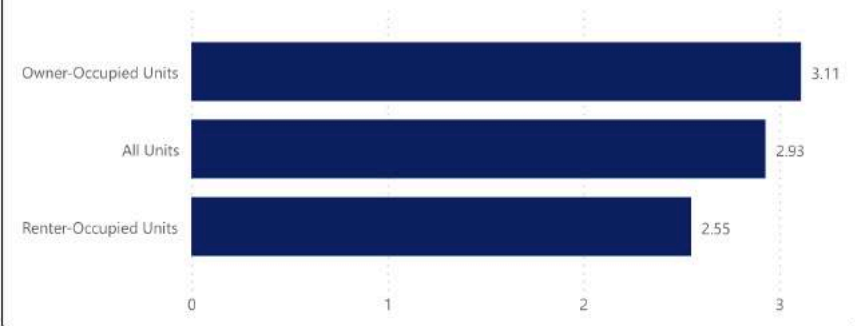
Housing Units by Structure Type

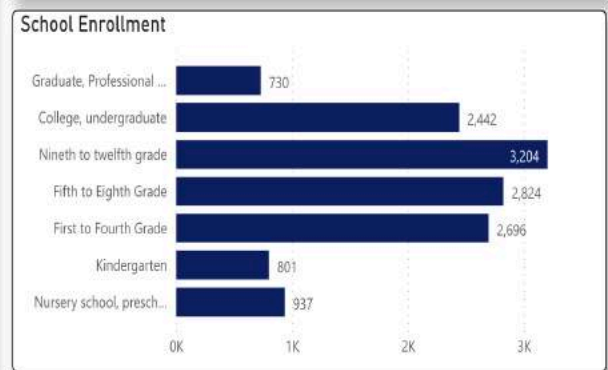
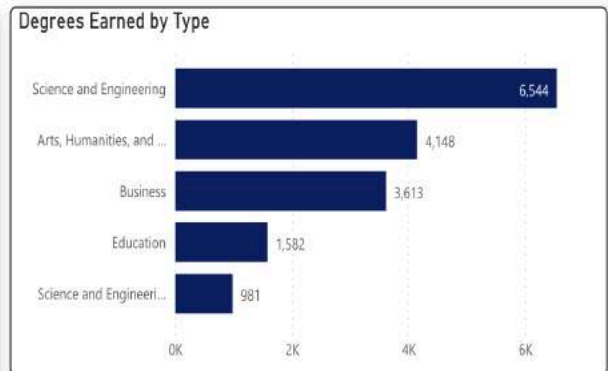
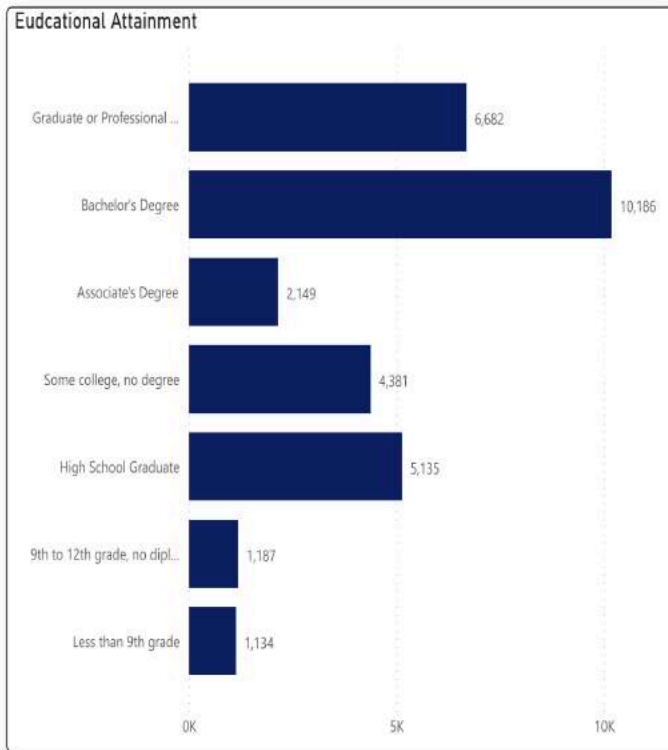
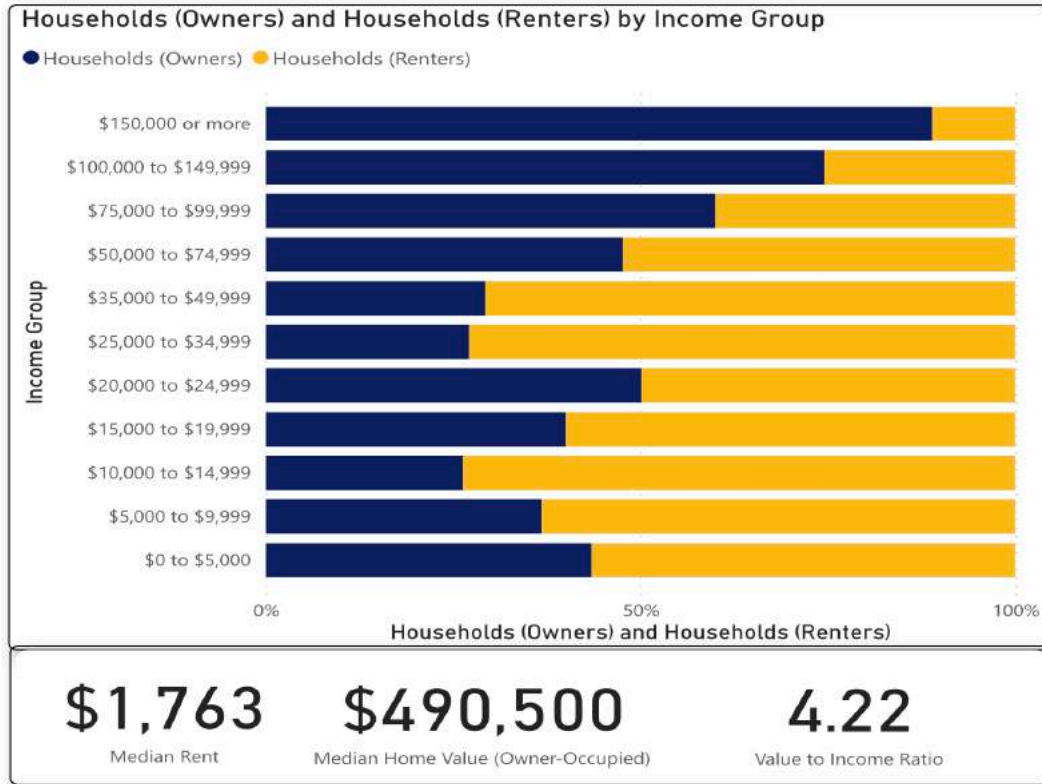


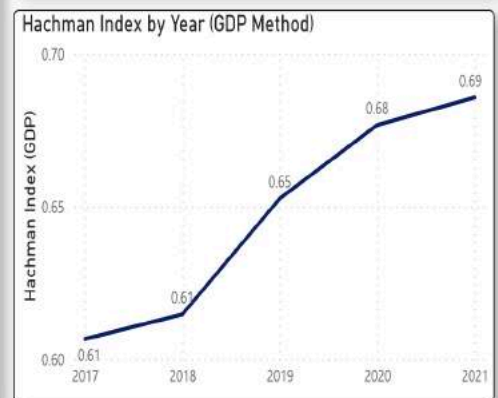
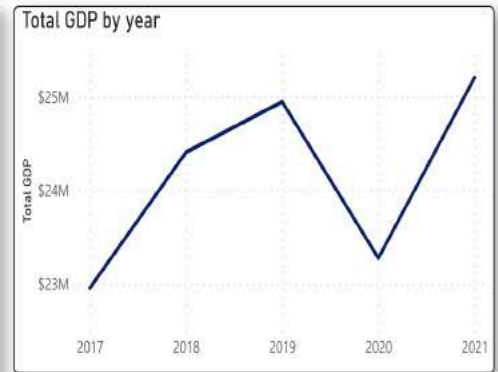
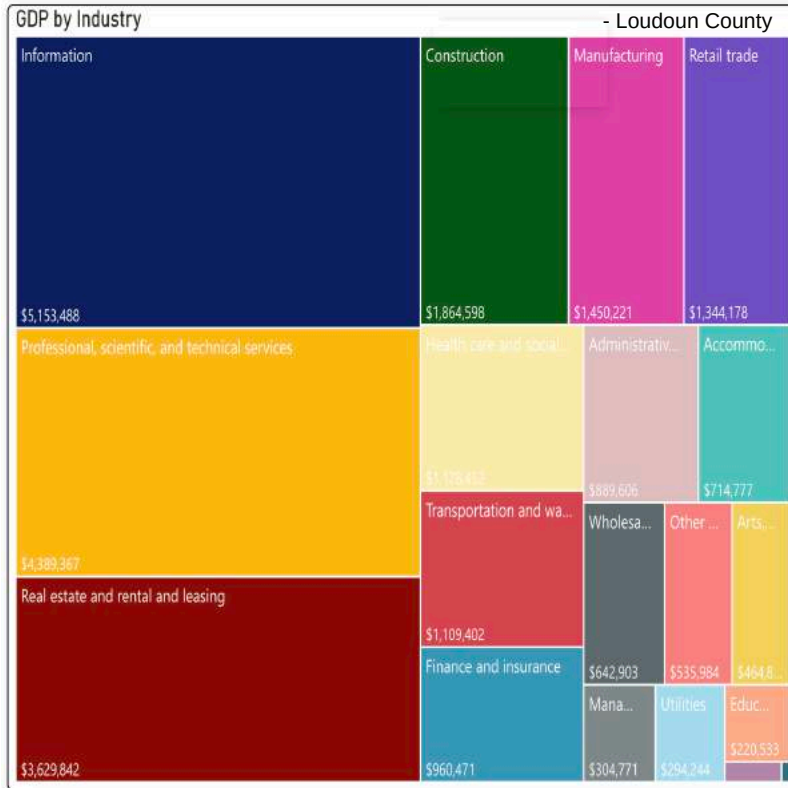
Ownership type



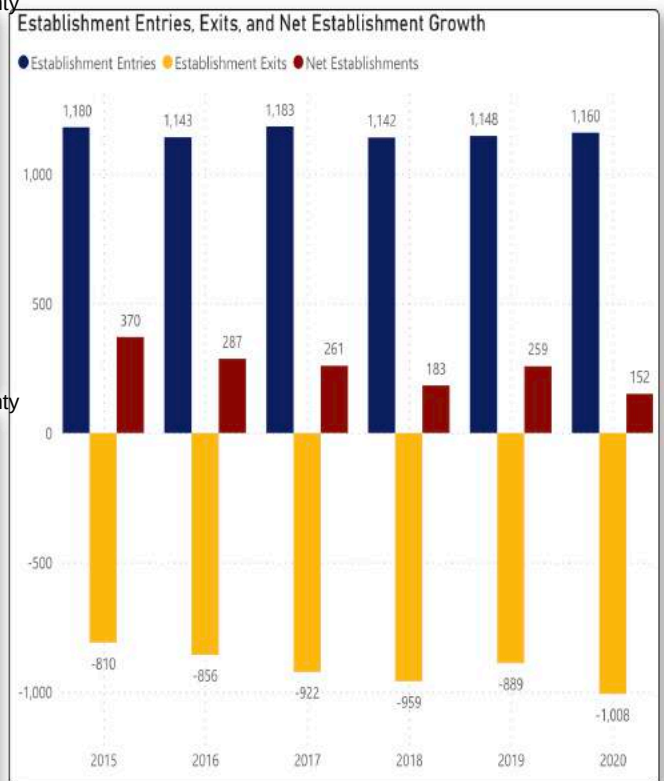
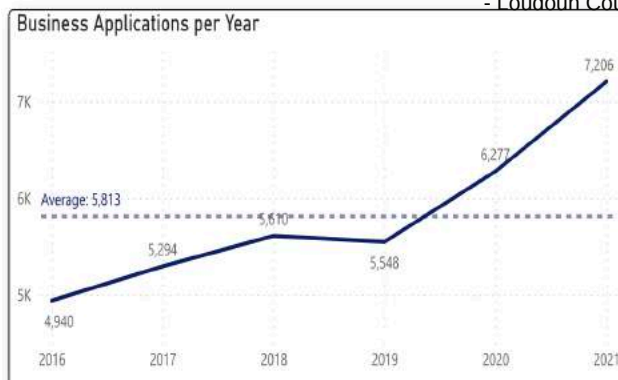
Average Household Size



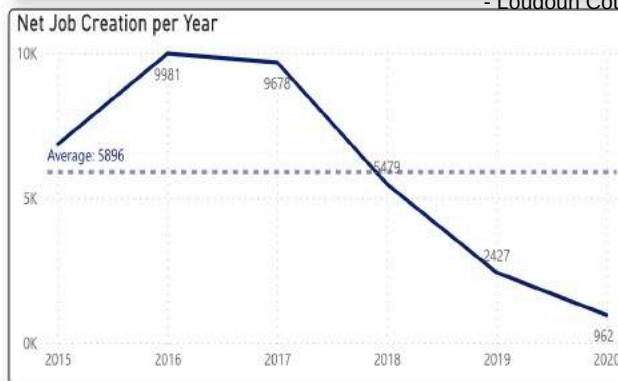




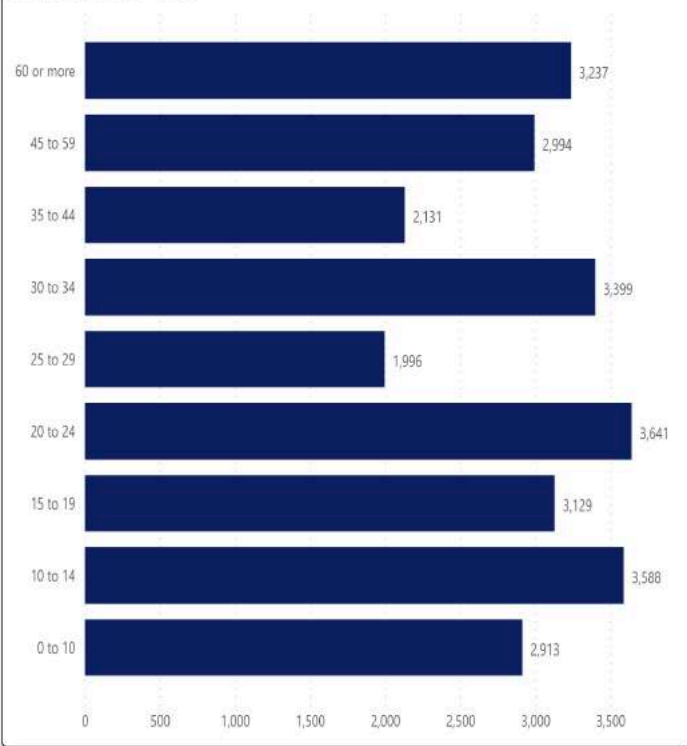
- Loudoun County



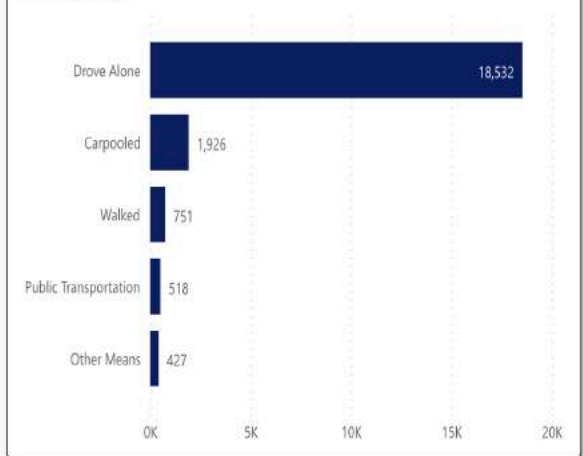
- Loudoun County



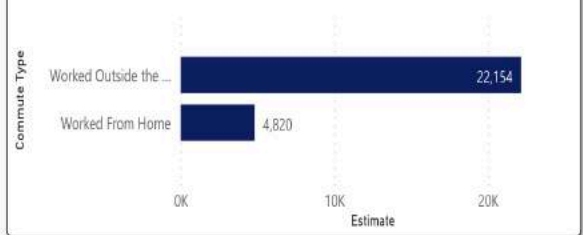
Commute Time to Work



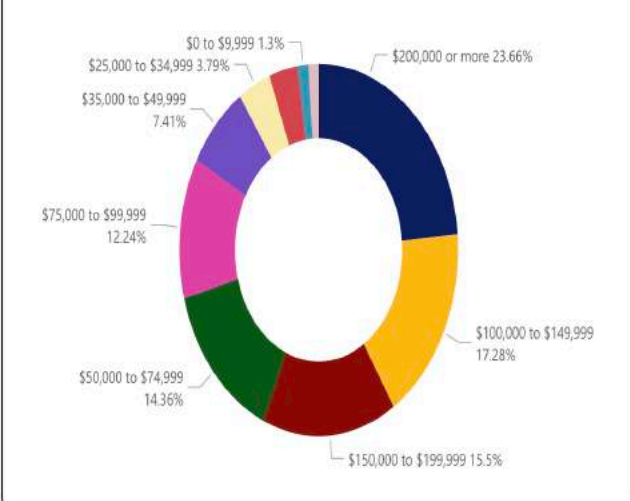
Commute Type



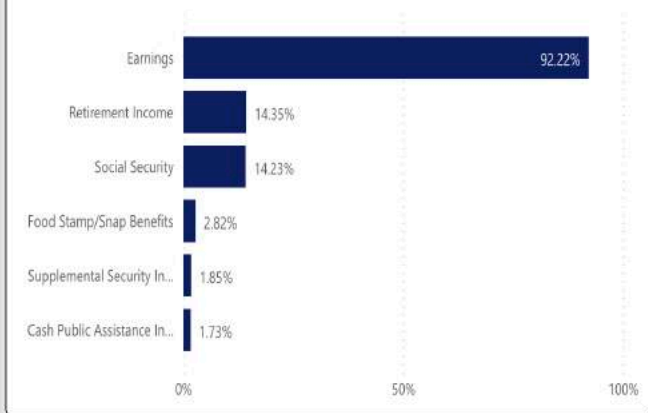
Work from Home



Household Income and Earnings by Bucket



Sources of Income (Non-exclusive)



Gini Index Comparison (Lower means more income equality)



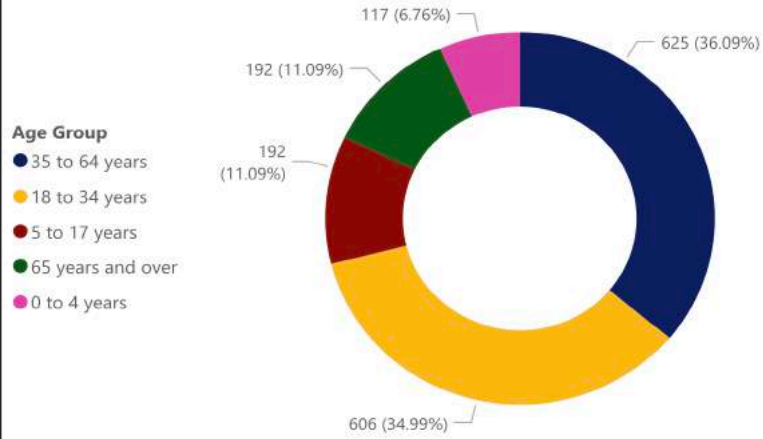
Income Statistics



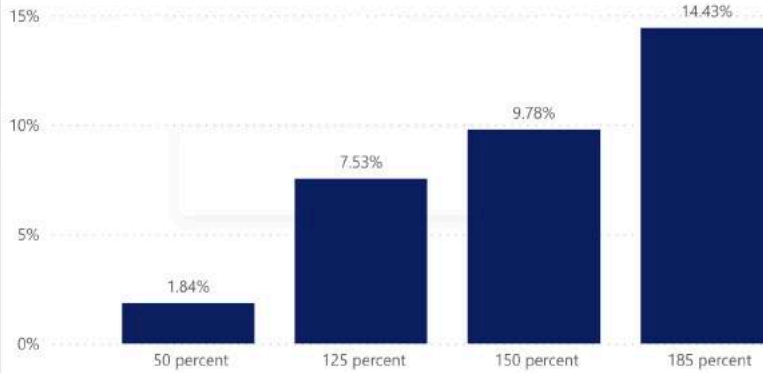
3.60%

Percent of Population Living Under the Poverty Level

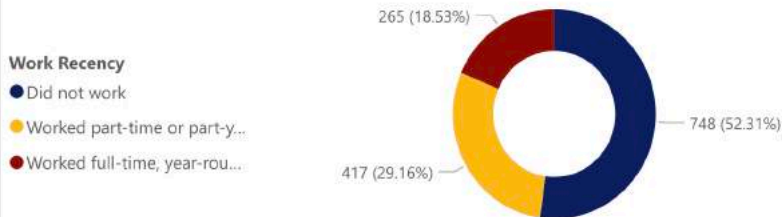
Estimate by Age Group



People who earn below a poverty threshold by Percent of Poverty Level



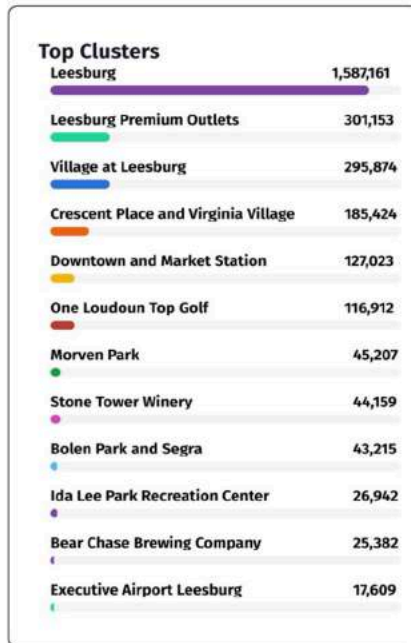
Estimate by Work Recency



Appendix C: Datafy Data

The following geolocation data was provided by Datafy LLC for the visitation analysis and to inform the tourism strategies in this plan.

2019



Global Filters
 In-State Out-of-State
 Distance: 50 mi - 4,865 mi
 Dates: 1/1/19 - 12/31/19
 Clusters: All Included
 POIs: All Included

Advanced Filters

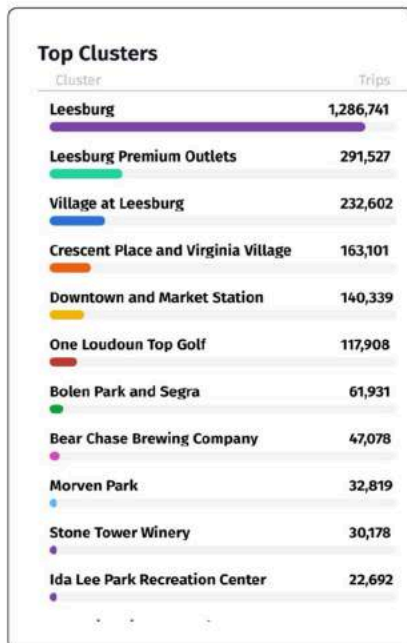
2020



Global Filters
 In-State Out-of-State
 Distance: 50 mi - 4,865 mi
 Dates: 1/1/20 - 12/31/20
 Clusters: All Included
 POIs: All Included

Advanced Filters

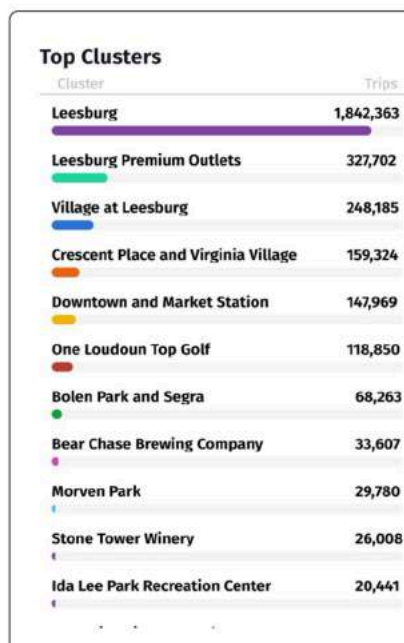
2021



Global Filters
 In-State Out-of-State
 Distance: 50 mi - 4,865 mi
 Dates: 1/1/21 - 12/31/21
 Clusters: All Included
 POIs: All Included

Advanced Filters

2022

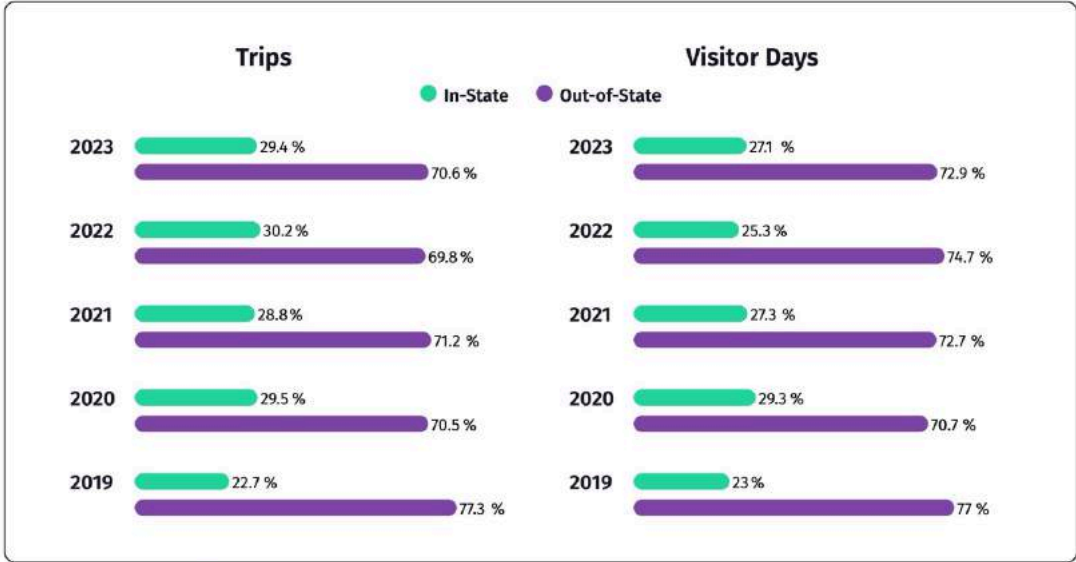


Global Filters
 In-State Out-of-State
 Distance: 50 mi - 4,865 mi
 Dates: 1/1/22 - 12/31/22
 Clusters: All Included
 POIs: All Included

Advanced Filters

Caladan Model | © Datafy - All Rights Reserved
 This data represents a statistical model based on a sample size of devices.



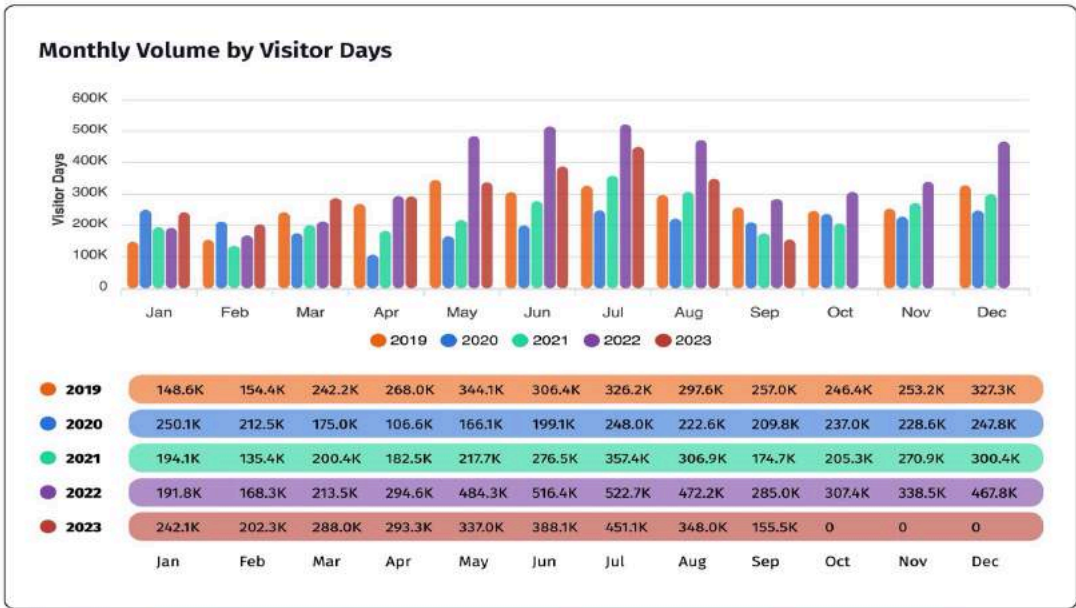


Global Filters In-State Out-of-State Distance: 50 mi - 4,865 mi Dates: 1/1/19 - 9/16/23 Clusters: All Included

POIs: All Included

Advanced Filters

Caladan Model | © Datafy - All Rights Reserved
 This data represents a statistical model based on a sample size of devices.



Global Filters In-State Out-of-State Distance: 50 mi - 4,865 mi Dates: 1/1/19 - 9/16/23 Clusters: All Included

POIs: All Included

Advanced Filters

Caladan Model | © Datafy - All Rights Reserved
 This data represents a statistical model based on a sample size of devices.



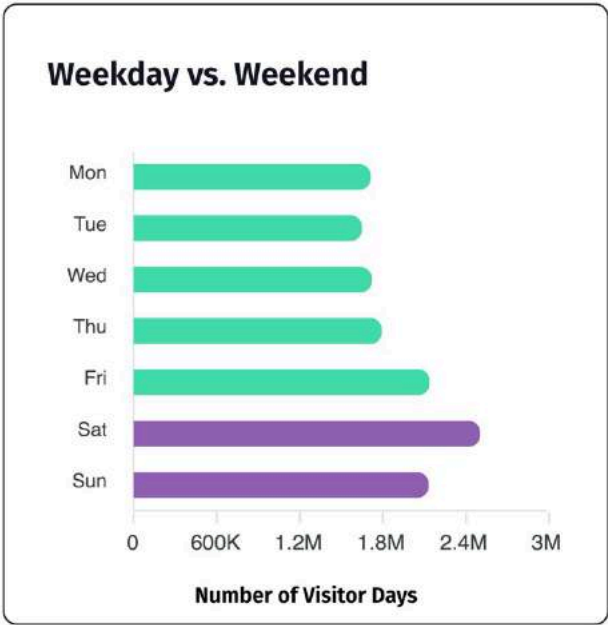


Global Filters

- In-State Out-of-State
- Distance: 50 mi - 4,865 mi
- Dates: 1/1/19 - 9/16/23
- Clusters: All Included
- POIs: All Included

Advanced Filters

Caladan Model | © Datafy - All Rights Reserved
 This data represents a statistical model based on a sample size of devices.



Global Filters

- In-State Out-of-State
- Distance: 50 mi - 4,865 mi
- Dates: 1/1/19 - 9/16/23
- Clusters: All Included
- POIs: All Included

Advanced Filters

Caladan Model | © Datafy - All Rights Reserved
 This data represents a statistical model based on a sample size of devices.



Appendix D: Analysis of Multi-Use Event Facility Opportunity

Multi-Use Event Facility vs. Performing Arts Center

Overview & Analysis

Summary

The objective of this analysis is to evaluate the financial implications and potential community benefits of a Multi-Use Event Facility or a Performing Arts Center in the Town of Leesburg.

The analysis assumes that both types of facilities would be scaled to accommodate around 500 people for various events, including conferences, performances, and community gatherings. The report details operational costs, projected demands for usage, and potential revenues - providing insights into the financial prospects of each option. Through a detailed examination of their economic contributions, this paper aims to provide insights for stakeholders, investors, and policymakers considering investments in the hospitality and entertainment sectors.



Introduction

The Liberty Street Parking Lot is one of the few remaining downtown-adjacent properties and as a Town-owned parcel represents a valuable opportunity for the Town of Leesburg to utilize the space to enhance the community and local economy. Two potential uses of the site are a Multi-Use Event Facility and a Performing Arts Center. Both options have the potential to draw visitors into the community, especially during non-summer months, stimulating local dining, accommodations, retail, and other businesses.

Multi-Use Event Facility

A Multi-Use Event Facility (MUEF), also known as a multi-purpose event facility or venue, is a highly adaptable and versatile space tailored to accommodate a diverse spectrum of events and gatherings such as conferences, trade shows, conventions, weddings, concerts, exhibitions, and more. It is characterized by its flexibility and ability to transform to suit the specific needs of each event.

Performing Arts Centers

A Performing Arts Center (PAC) is a dedicated facility designed for the presentation and performance of various forms of live entertainment, primarily focused on performing arts disciplines such as music, theater, dance, opera, and other cultural performances. PACs are designed to provide optimal acoustics, seating arrangements, and technical capabilities to support artistic and cultural presentations and typically have a large stage. They contribute to the cultural enrichment of a community and serve as hubs for artistic expression.

Comparative Economic Analysis

1. Economic Feasibility

Performing Arts Center

A) Cost Structure

Fixed Operating Costs

There are a number of fixed operating costs for Performing Arts Centers that remain constant irrespective of the size of the theater or the number of performances. Among these fixed costs, wages and benefits constitute the most substantial portion. PAC's typically have some mix of the following positions:

- Executive director, development director, marketing manager, technical directors and office manager.

Additional fixed costs include technical and equipment rental, non-payroll marketing expenses, front-of-house operations, fees for professional services such as legal and accounting, as well as general office expenses.

Exhibit 1: Cost Structure of an Average Performing Arts Center in a US City with 50,000 Population (500 Seats)

| CATEGORY | AVERAGE DOLLAR VALUE |
|---|----------------------|
| FIXED COSTS | |
| WAGES AND BENEFITS | \$500,000 |
| INSURANCE AND UTILITIES | \$85,000 |
| TECHNICAL EQUIPMENT RENTAL | \$120,000 |
| FRONT OF HOUSE | \$80,000 |
| MARKETING | \$95,000 |
| FUNDRAISING AND DEVELOPMENT | \$90,000 |
| FEES FOR SERVICES AND OTHER OFFICE EXPENSES | \$70,000 |
| TOTAL FIXED COSTS | \$1,040,000 |
| VARIABLE COSTS | |
| PRESENTING | \$200,000 |
| TICKET AND CREDIT CARD CHARGES | \$95,000 |
| VARIABLE OCCUPANCY CHARGES | \$85,000 |
| TOTAL VARIABLE COSTS | \$380,000 |
| TOTAL COSTS | \$1,420,000 |

Source: Better City Research

Variable Costs:

Variable costs are those that fluctuate based on the size of the facility or the number of performances hosted:

- Presenting Costs: Includes advance payments to performing groups that PAChosts, along with associated expenses and royalty payments. Calculations are based on the cost per dollar of ticket revenues linked to house-presented shows at comparable venues.
- Online ticketing fees and credit card charges.
- Occupancy Charges: Maintenance, repair, janitorial services, and insurance. These charges are determined based on the occupancy charges per seat, considering national benchmark theaters and comparable facilities.

B) Revenue Generation

Performing Arts Centers rely on two primary sources of revenue: earned income and contributed income.

Earned Income:

Earned income encompasses revenue generated from various sources, including:

- Subscription and Season Ticket Sales.
- Individual Ticket Sales.
- Facility Rental: Income generated from renting out the Center's facilities for external events and functions.
- Concessions.
- Other Fees: Miscellaneous fees associated with services or amenities offered by the Center.

Contributed Income:

Contributed income includes monetary or in-kind donations from various sources:

- Government Subsidy: Financial support provided by government entities to sustain and enhance the Center's operations and cultural contributions.
- Foundation Support: Grants and contributions from foundations and charitable organizations that align with the Center's mission and goals.
- Donations: Contributions made by individuals, businesses, and community members who value the Center's cultural significance and wish to support its endeavors.

Many performing arts centers derive a portion of their subsidies from revenues generated by transient lodging taxes.

Exhibit 2: Revenue Structure of an Average Performing Arts Center in a US City with 50,000 Population (500 Seats)

| REVENUE ITEM | AVERAGE DOLLAR VALUE |
|---|----------------------|
| PERFORMANCE ACTIVITY SEASON | 10 months |
| AVERAGE SHOWS PER MONTH | 9 |
| Annual Performances | 90 |
| Utilization | 50% |
| Average Ticket Price | \$35 |
| EARNED INCOME | |
| TICKETS AND SUBSCRIPTIONS | \$787,500 |
| NET REVENUES FROM CONCESSIONS | \$20,000 |
| EVENTS | \$50,000 |
| SERVICE FEES AND OTHER | \$25,000 |
| TOTAL EARNED INCOME | \$882,500 |
| CONTRIBUTED INCOME | |
| GOVERNMENT SUBSIDY, SPONSORSHIPS, DONATIONS | \$650,000 |
| TOTAL CONTRIBUTED INCOME | \$650,000 |
| TOTAL REVENUES | \$1,532,500 |

Source: Better City Research

C) Operating Profit (Loss)

All the Performing Arts Centers studied operate at an operating loss – dependent upon contributed income to be solvent.

Performing Arts Centers are typically nonprofits and rely on public support to offset the costs of operating the performing arts center and to make it more affordable for patrons to attend events.

In addition to government subsidies, PACs also receive contributions from private donors and corporations. These contributions can help to fund specific programs and initiatives, such as educational programs and outreach programs.

Exhibit 3: Profit (Loss) Structure of an Average Performing Arts Center in a US City with 50,000 Population (500 Seats)

| CATEGORY | AVERAGE DOLLAR VALUE |
|--------------------------------|----------------------|
| TOTAL FIXED COSTS | \$1,040,000 |
| TOTAL VARIABLE COSTS | \$380,000 |
| TOTAL COSTS | \$1,420,000 |
| TOTAL EARNED INCOME | \$882,500 |
| TOTAL CONTRIBUTED INCOME | \$650,000 |
| TOTAL REVENUE | \$1,532,500 |
| OPERATING PROFIT (LOSS) | \$112,500 |

Source: Better City Research

D) Comparable PAC Financial Performance

The following exhibit presents the financial structure of performing arts centers in several counties similar to Loudoun County in terms of population and household income, including Prince William County, VA, Arlington County, VA, Howard County, MD, and Marin County, CA.

Exhibit 4: Performing Arts Centers Financial Performance Comparison

| | TOTAL REVENUE | TOTAL EXPENSES | PROFIT (LOSS) | SUBSIDIES AS % OF REVENUE |
|----------------------------------|------------------|-------------------|------------------|---------------------------------|
| PRINCE WILLIAM COUNTY, VA | | | | |
| 2022 | \$1,071,205 | \$1,044,894 | \$ 26,311 | 74.31% |
| 2021 | \$473,776 | \$ 471,985 | \$1,791 | 78.15% |
| 2019 | \$761,981 | \$760,769 | \$1,212 | 47% |
| ARLINGTON COUNTY, VA | | | | |
| 2022 | \$489,929 | \$673,242 | \$(183,313) | 53.56% |
| 2021 | \$508,491 | \$468,821 | \$39,670 | 67.59% |
| 2019 | \$582,541 | \$562,750 | \$19,791 | 45.56% |
| HOWARD COUNTY, MD | | | | |
| 2022 | \$673,242 | \$1,731,810 | \$(1,058,568) | 83% |
| 2021 | \$468,821 | \$1,443,358 | \$(974,537) | 64% |
| 2019 | \$562,750 | \$1,496,253 | \$(933,503) | 58% |
| MARIN COUNTY, CA | | | | |
| 2021 | \$1,300,000 | \$1,570,000 | \$(270,000) | 38% |
| 2019 | \$1,690,000 | \$1,650,000 | \$40,000 | 22% |
| 2018 | \$1,618,199 | \$1,550,185 | \$68,014 | 24% |

Source: Better City Research

The comparison cohort of PACs rely on subsidies that average 60% of total revenue to cover expenses.

Multi-Use Event Facility

Multi-Use Event Facilities are designed to be versatile to accommodate a wide range of events, from exhibitions to meetings, parties, banquets, and more.

A) Cost Structure

Fixed Costs

Fixed costs are expenses that remain relatively constant regardless of the level of activity or events hosted in the space. They represent the baseline operational expenses necessary to keep the event space functional. Fixed costs for a multi-use event facility typically include:

- Salaries, wages, and benefits: They cover both full-time and part-time personnel expenses. Approximately six (6) dedicated full-time staff members would be required to efficiently operate a MUEF of the target scale. This team would include executive management, finance, sales & marketing, box office, event management, and building operations. Services like security, parking, landscaping, and others are typically outsourced.
- Additional fixed costs include, non-payroll marketing expenses, front-of-house operations, fees for professional services such as legal and accounting, as well as general office expenses.

Exhibit 5: Cost Structure of an Average Multi-Use Event Facility in a US City with 50,000 Population (500 Seats)

| CATEGORY | AVERAGE DOLLAR VALUE |
|---|----------------------|
| FIXED COSTS | |
| WAGES AND BENEFITS | \$420,000 |
| INSURANCE AND UTILITIES | \$85,000 |
| MAINTANANCE AND REPAIRS | \$70,000 |
| MARKETING & ADVERTISING | \$80,000 |
| FUNDRAISING AND DEVELOPMENT | \$90,000 |
| FEES FOR SERVICES AND OTHER OFFICE EXPENSES | \$50,000 |
| TOTAL FIXED COSTS | \$795,000 |
| VARIABLE COSTS (AVG. 144 EVENTS) | |
| TECHNICAL EQUIPMENT RENTAL | \$14,400 |
| FOOD AND BEVERAGE COSTS | \$310,000 |
| TICKET AND CREDIT CARD CHARGES | \$260,000 |
| SECURITY COSTS | \$30,000 |
| ADDITIONAL STAFFING COSTS | \$50,000 |
| MARKETING AND ADVERTISING FOR SPECIFIC EVENTS | \$20,000 |
| INSURANCE | \$35,000 |
| TOTAL VARIABLE COSTS | \$719,400 |
| TOTAL COSTS | \$1,514,400 |

Source: Better City Research

Variable Costs

Variable costs are expenditures that fluctuate based on the size of the event space or the number of events hosted:

- Catering and Food: There might be in-house or an external vendor to manage the catering and food services the Space.
- Security Services: This includes expenses related to event security, covering both personnel and security equipment needed to ensure the safety and security of guests and attendees during events.
- Online ticketing and credit card charges.
- Additional staff and marketing and insurance might be required for specific events.

B) Revenue Generation

The anticipated revenue from the proposed Multi-Use Event Facility encompasses various sources, including rental income, concessions, catering, ticket rebates, advertising and sponsorship, and facility fees:

- Rental Income: This income source is typically determined as a percentage of gross ticket sales or a flat rental fee, whichever is higher. Rental rates may vary depending on the event type and the portion of the facility used (e.g., full-house, half-house).

Exhibit 6: Revenue Structure of an Average Multi-Use Event Facility in a US City with 50,000 Population (500 Seats)

| REVENUE ITEM | AVERAGE DOLLAR VALUE |
|---|----------------------|
| PERFORMANCE ACTIVITY SEASON | 12 months |
| AVERAGE SHOWS PER MONTH | 12 |
| Annual Performances | 144 |
| Utilization | 70% |
| Average Ticket Price | \$35.00 |
| EARNED INCOME | |
| RENTAL INCOME | \$57,600 |
| CATERING | \$120,800 |
| MERCHANDISE | \$20,000 |
| TICKET REBATES AND SUBSCRIPTIONS | \$1,760,000 |
| NET REVENUES FROM CONCESSIONS | \$40,000 |
| SERVICE FEES AND OTHER | \$35,000 |
| TOTAL EARNED INCOME | \$ 2,033,400 |
| CONTRIBUTED INCOME | |
| GOVERNMENT SUBSIDY, SPONSORSHIPS, DONATIONS | - |
| TOTAL CONTRIBUTED INCOME | - |
| TOTAL REVENUE | \$ 2,033,400 |

Source: Better City Research

- Concessions.
- Ticket Rebates: Multi-Use Event Facilities often employ third-party ticketing services like Ticketmaster, which charge convenience fees on ticket sales. A share of these fees is typically returned to the venue.
- Facility Fees: To ensure financial stability and meet potential lender requirements, a capital reserve is established. This reserve funds capital maintenance and major projects at the Event Center. Following industry standards, the reserve should receive an annual allocation equal to 0.5 percent of the venue's project cost, adjusted annually for changes in the consumer price index.

C) Operating Profit (Loss)

Multi-use event facilities can survive without public support by diversifying their revenue streams and reducing their costs.

Since multi-use event spaces can host a variety of events, including concerts, plays, corporate events, and weddings, this allows them to appeal to a wider audience and generate more revenue and have higher utilization than single-use facilities. They can rent their space to other organizations for events. This can be a significant source of revenue, especially if the space is located in a desirable location.

Exhibit 7: Profit (Loss) Structure of an Average Multi-Use Event Facility in a US City with 50,000 Population (500 Seats)

| CATEGORY | AVERAGE DOLLAR VALUE |
|--------------------------|----------------------|
| TOTAL FIXED COSTS | \$795,000 |
| TOTAL VARIABLE COSTS | \$719,400 |
| TOTAL COSTS | \$1,514,400 |
| TOTAL EARNED INCOME | \$2,033,400 |
| TOTAL CONTRIBUTED INCOME | - |
| TOTAL REVENUE | \$2,033,400 |
| OPERATING PROFIT (LOSS) | \$519,000 |

Source: Better City Research

Selling food and beverages to attendees at events can be a profitable business, especially if the space has a full-service kitchen and bar. Moreover, multi-use event spaces can partner with other businesses in the community, such as hotels, restaurants, and transportation companies. This can help them to attract customers and generate revenue.

D) Comparable MUEF Financial Performance

Exhibit 8: Multi-Use Event Facility Financial Performance Comparison

| NAME | ADDRESS | DISTANCE FROM LEESBURG | CAPACITY | REVENUE |
|---|---|-------------------------------|-----------------|----------------|
| Lansdowne Resort | 44050 Woodridge Pkwy, Leesburg, VA 20176 | Leesburg | 1000 | N/A |
| Droumavalla Farm | 14980 Limestone School Rd, Leesburg, VA 20176 | Leesburg | 1100 | N/A |
| Hyatt Regency Dulles | 2300 Dulles Corner Blvd, Herndon, VA 20171 | Herndon (15mi) | 700 | \$2,600,000 |
| Hilton Washington Dulles Airport | 13869 Park Center Rd, Herndon, VA 20171 | Herndon (16mi) | 500 | N/A |
| Creek's Edge Winery | 41255 AnnasLn, Lovettsville, VA 20180 | Lovettsville (7.8mi) | 500 | <\$5,000,000 |
| Dulles Golf Center & Sports Park | 21593 JesseCt, Sterling, VA 20166 | Sterling VA (11mi) | 1,500 | <\$5,000,000 |
| Falls Church Marriott Fairview Parkway | 3111 FairviewPark Dr, Falls Church, VA 22042 | Falls Church, VA (27mi) | 1,400 | N/A |
| William F. Bolger Center | 9600 Newbridge Dr, Potomac, MD 20854 | Potomac, MD (23mi) | 500 | \$10,800,000 |
| Jordan Springs Estate & Gardens | 1160 Jordan Springs Rd, Stephenson, VA 22656 | Stephenson, VA (28mi) | 750 | N/A |

Source: Better City Research

These figures indicate revenues for multi-use event facilities around Leesburg from 2022. Multi-use event facilities are often privately owned and operated. Therefore, they are not required to disclose their financial information to the public.

2. Economic Impact:

Performing arts centers and multi-use event facilities can both bring visitors, contribute GDP and tax base, culturally enrich their towns, and create educational opportunities. There are material differences in the visitation, economic and tax impact of the two types of venues as highlighted below:

Visitation

| PERFORMING ARTS CENTER | MULTI USE-EVENT FACILITY |
|--|--|
| <ul style="list-style-type: none"> • Focus on cultural and artistic performances, such as theater, ballet, opera, and symphony concerts. • Visitor demographics limited to arts-oriented audience. • Visitors come for specific performances and are largely local and provide little additional economic impact. | <ul style="list-style-type: none"> • Versatile venues capable of hosting a wide range of events, including concerts, trade shows, weddings, banquets, meetings and community gatherings. • Attracts a diverse audience due to the varied event offerings. • Many events draw regional visitors resulting in hotel stays, increased foot traffic to adjacent businesses and tourism. |

GDP Contribution

| PERFORMING ARTS CENTER | MULTI USE-EVENT FACILITY |
|---|---|
| <ul style="list-style-type: none"> • Revenue streams primarily derived from ticket sales, memberships, and contributions. • Employment multiplier: security. • GDP multiplier: Fast food / deserts, minor retail impact • The preponderance of attendees would be local. • Half-day visit economic impact: <ul style="list-style-type: none"> ○ Average spending of \$40 per visitor | <ul style="list-style-type: none"> • Revenue generated from events, ticket sales, concessions, and merchandising. • Employment multiplier: event management, catering, security, and hospitality sectors. • GDP multiplier: hospitality, restaurants, retail, tourism, event management, catering. • Mix of local and out-of-town visitors. • Half-day visit economic impact: <ul style="list-style-type: none"> ○ Average spending of \$50 per visitor • Full-day visit: <ul style="list-style-type: none"> ○ Average of \$215 for out of town per visitor |

Local Tax Revenue

| PERFORMING ARTS CENTER | MULTI USE-EVENT FACILITY |
|---|---|
| <ul style="list-style-type: none"> • Sales tax: concessions, and merchandise. • Property tax: None (assuming public ownership). | <ul style="list-style-type: none"> • Sales Tax: Concessions, catering and merchandise. • Property Tax: \$17,740 (assuming \$10M assessment). • Hotel Tax: Increased hotel nights from events drives higher hotel occupancy and transient room taxes. |

Cultural Contribution

| PERFORMING ARTS CENTER | MULTI USE-EVENT FACILITY |
|--|--|
| <ul style="list-style-type: none"> • Dedicated to preserving and promoting the fine arts and cultural heritage. • Support and showcase performing arts disciplines like theater, dance, and classical music, preserving cultural traditions. • Collaborate with local artists and educational institutions, fostering cultural growth and creativity. | <ul style="list-style-type: none"> • Provide a platform for community gatherings, local talent showcases, and cultural festivals. • Can enhance cultural inclusivity by hosting events representing different cultures and traditions. |

Educational Opportunities

| PERFORMING ARTS CENTER | MULTI USE-EVENT FACILITY |
|--|---|
| <ul style="list-style-type: none"> • Provide a platform for arts education programs, including workshops, classes, and performances. • Can host school performances and matinees. • Can collaborate with local schools and colleges, creating opportunities for students to engage with professional artists. | <ul style="list-style-type: none"> • Students interested in event management, hospitality, and marketing can gain practical experience through internships. • Can host educational workshops and seminars. • Local schools and colleges can use these spaces for graduations, and cultural programs. |

3. Construction Financing:

Performing Arts Centers are typically public facilities whose construction is typically funded by local government entities and or non-profits with support of grants from the state and federal government, foundations, and local benefactors.

Multi-Use Event Facilities are typically owned by private entities – most often attached to a hospitality property. The revenue from room nights, catering and food and beverage help subsidize the operating costs of the facility.

In smaller communities, local governments, recognizing the employment and GDP multiplier impacts of MUEFs and the boost they provide to local tourism often help defray the cost of construction through participating in the cost of providing infrastructure and utilities, payment in lieu of tax arrangements or tax increment financing.

Appendix E: Community Input

Quotes on key themes from community input are provided below.

City Bureaucracy

Approximately 40% of stakeholders said doing business in Leesburg was very difficult, especially for construction related projects.

- “Heavy bureaucracy. Second to none in [our] market (all Northern Virginia and Maryland). Leesburg has been known to be a difficult place. That has kept development groups outside of Leesburg.”
- “There are issues with re-development and re-zoning. Leesburg is by far the most difficult. Twice the time to get permission in Leesburg and 40% more expensive on requirements and delays.”
- “Their architectural review process is very strict, with a lot of layers... then there is the zoning process. Then the Gateway District has its own guidelines. Plus, there is the board of architectural review.”
- “Developers feel that their process is onerous. It is a culture thing: planning staff their whole job is to meet the regulations. When the regulation is fuzzy or the project doesn’t fit into the rules then the knee-jerk reaction is no.”
- The Town is a difficult place to do business in from an approval standpoint...not many projects get approved, because the approval process...and takes a lot of time and money.”
- “There are so many hands in the pot, that the sources and individuals you have to go through—they should streamline to benefit the developers.”

Low Pay and Livable Wage

Approximately 50% of stakeholders reported it was hard to work a job in Leesburg and make a livable wage. Many people noted that many hourly jobs do not pay enough to support the cost of living. This leaves the poor and minority communities disadvantaged. Many people telework or commute to work out of the city. They want to attract more businesses and jobs to the Town.

- “Living wage is \$24/hr in Leesburg/Loudoun. There are not many jobs that pay that.”
- “Latino communities lack of visibility in the region...Everyone is living under the 30% AMI. In most apartments, more than one family share the apartment.”
- “A burger [needs] to cost \$28 to pay a decent pay to these people. Can’t pass on a 40% increase to prices. Community believes minimum wage

- is not enough. Young kids in Leesburg aspire for more.”
- “Some of the policemen, teachers, etc. can’t afford to live in Loudoun County.”
- “People who commute to work in Leesburg make more than they could working where they live...it is hard to keep pace with salary requirements, and paying people enough for them to live there is a challenge.”
- “You can walk through downtown Leesburg and not find a franchise. That means that the small businesses cannot afford to pay the salaries that the franchise restaurants can pay.”
- “[Main Street] businesses often struggle, hiring and workforce housing are major challenges...most people who work in services don’t live in the County.”

Hotel / Convention Space

Approximately 40% of stakeholders said there is a major need for a hotel/events space. A few were against it due to the perception that it will take up parking space.

- “Our hotels are aged with no space for weddings and events.”
- “Hotels are needed in the Town. The new housing development and businesses moving there are driving that demand.”
- “The current hotel and convention center is a dilapidated and eyesore. There has been no employment or tax benefits to the Town in over 10 years.”
- “...what we don’t have is a place for people who want to stay. We need a hotel in downtown Leesburg.”
- “There is no hotel in downtown Leesburg currently, they are on the fringes of Town.”

Lack of Parking

Approximately 30% of stakeholders noted the need for more parking areas in the Town.

- “Parking is a problem.”
- “[We get] parking complaints all the time.”
- “Parking is always a challenge downtown. [People must] park one or two blocks away to do things.”
- “Parking is the hot topic, it’s what I get the most complaints about. My idea is to add another garage.”

Affordable Housing

Approximately 25% of stakeholders said affordable housing is a major issue for Leesburg.

- “Rent is ~\$2,000/month on average...rents are going up...affordable housing is a big issue.”
- “[I am] trying to work on affordable housing, it is a big need but has challenges.”
- “Need a mix of everything—from light industrial to the downtown retail and housing core.”
- “[I] live 30 miles away...people are commuting for even 2 hours. Property is much cheaper. Housing prices are the key difference.”

Lack of Office Space

Approximately 25% of stakeholders said lack of office space is a major issue for business attraction.

- “Lack of class-A office space in Leesburg and Loudoun...Office demand in local government (Loudoun and Leesburg).”
- “Biggest threat to quality of life: too dense of a community. Think exclusively about having enough commercial [space].”
- “Economic problem: the actual physical space is small square footage.
- “[Businesses] cannot grow, they will move out if they need to expand...no warehouse for industry, no basements...stores are succeeding without the space that other businesses use to thrive.”
- “I am concerned about having a ratio of residential to commercial. I think the public [underestimates] value of the commercial development to support a balanced tax base.”
- “Getting space in the Town is tricky for physically oriented businesses.”