

VIRGINIA:

BEFORE THE COMMISSION ON LOCAL GOVERNMENT

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

**NOTICE BY THE TOWN OF LEESBURG
OF ITS INTENTION TO PETITION FOR ANNEXATION
OF TERRITORY IN THE COUNTY OF LOUDON
AND SUPPORTING DATA**

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Dated: September 28, 2022

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Section I: Introductory Statement

The Town of Leesburg (“Leesburg” or “Town”) intends to petition the Circuit Court of Loudoun County pursuant to Chapter 32 of Title 15.2 of the Code of Virginia, to enter an order annexing to Leesburg certain territory containing approximately 402.8317 acres located in Loudoun County (“Loudoun” or the “County”). Since Leesburg’s last annexation in 1984, the Town has experienced sustained economic growth and development. Nearly all vacant land suitable for commercial or industrial use within the Town boundaries has been developed. Economic development has continued in the designated areas adjoining the Town—known as the Joint Land Management Area (“JLMA”)—consistent with the County’s and Town’s comprehensive plans. Leesburg has laid the groundwork for this development by providing necessary infrastructure—water and sewer improvements and street improvements—to serve the JLMA, including JLMA Area 1A, commonly referred to as “Compass Creek.” The County’s and Town’s longstanding annexation guidelines provided that areas within the JLMA would be brought into the Town by boundary adjustment or annexation once served by Town water and sewer service. Consistent with these guidelines, the Town and the County entered into a boundary adjustment for several parcels in Compass Creek, after the Town began providing water and sewer service. The Town now provides water and sewer service to all developable parcels within Compass Creek, which has enabled additional development activity. Accordingly, Leesburg proposes to annex the remaining portion of Compass Creek (the “Annexation Area”).

A. The Compass Creek Annexation Area

The Annexation Area consists of the remaining 402.8317 acre portion of the Compass Creek development. It comprises nine parcels: a 20.5521 acre parcel owned by the Walmart Real Estate Business Trust; a 10.4336 acre parcel owned by Realty Income Properties #18, LLC; a

323.3719 acre parcel owned by Microsoft Corporation; a 1.5 acre vacant parcel owned by CC Outparcel LC; the remaining 27.9829 acre portion of a vacant parcel owned by Leesburg Commercial LC (“Leesburg Commercial”) located in the County; the remaining 0.9601 acre portion of the parcel owned by CC Skating LLC located in the County, on which the ION International Training Center is situated; 1.3998 acre parcel owned by Leesburg Commercial containing a vernal pool (wetland); a dedicated right-of-way for Compass Creek Parkway, the primary roadway within Compass Creek; and an 1.34 acre parcel containing the Dulles Greenway Toll Road off ramp. A map of the Annexation Area is attached hereto as **Map 1**.

The Annexation Area consists of industrial and commercial land; there are no residents. Commercial development includes a new Walmart Supercenter, which relocated to Compass Creek from within the Town’s existing boundaries, as well as an At Home furnishings store. The CC Outparcel property is vacant, but is expected to be developed as a restaurant. Industrial development includes a data center campus on the Microsoft parcel. The Leesburg Commercial parcel is vacant, but a pending rezoning application indicates it will also be developed for a data center use.

The Annexation Area is part of a broader development at Compass Creek, including an ice skating and event facility (the ION International Training Center) as well as restaurant, hotel, and office uses. The Town provides water and sewer service to all of Compass Creek, including the Annexation Area. The primary access to the Annexation Area is through the Town street system. Consistent with JLMA policy, all other parcels in Compass Creek have been brought into the Town through boundary adjustments, as discussed below.

B. The necessity and expediency of annexation.

The annexation of Compass Creek is necessary and expedient because it will further the best interests of the people of the Town and the County, the properties in the Annexation Area, and the Commonwealth in promoting Leesburg as a strong and viable unit of government. Compass Creek is a natural gateway to the Town, given its location at the Town’s southern boundary. Joint planning by the Town and the County has designated Compass Creek as the area for the Town’s future expansion, specifically for commercial and industrial development. The Town enabled this development by providing water and services, as well as street access through the Town street system. This process has transformed Compass Creek from undeveloped rural land into a center of commercial and industrial activity.

1. History and Policies Underlying the JLMA.

The annexation of the remaining portion of Compass Creek is consistent with long range planning for the JLMA implemented by both the Town and the County. Historically, the JLMA has been the designated area for the Town’s future development and expansion. This concept began in the County’s 1982 Leesburg Area Management Plan, which provided for the future development of the Town in an area called the Leesburg Urban Growth Area (“UGA”).¹ The Leesburg UGA was formally established through the County’s 1991 General Plan.² The County changed the name of the Leesburg UGA to the Leesburg JLMA as part of the 2001 County Plan.³

¹ Leesburg Area Management Plant (November 1981), *available at* <https://www.loudoun.gov/DocumentCenter/View/119988/Leesburg-Area-Management-Plan?bidId=>

² Loudoun County 1991 General Plan, at 125 (Sept. 17, 1991), *available at* <https://www.loudoun.gov/DocumentCenter/View/120005/September-17-1991-Choices-and-Changes?bidId=>

³ Loudoun County 2001 Revised General Plan, at 200 (July 23, 2001), *available at* <https://www.loudoun.gov/DocumentCenter/View/1017/Revised-General-Plan-Amended-through-09-12-2018?bidId=>

The purpose of the JLMA was to establish an “urban growth boundary” for the Town’s continued expansion as the County’s population and economic hub.⁴

The County and Town planned that this expansion of the Town boundaries would be guided by the Town’s provision of water and sewer services to areas within the JLMA. Under the County’s 2001 Plan, the “Towns will be the providers of public sewer and water in their town JLMAs.”⁵ The County encouraged the expansion of Town water and sewer systems into the JLMA.⁶ However, the County placed the burden on the Town to implement utility expansion—both the financing and physical construction.⁷

As Leesburg’s water and sewer services extended into the JLMA, the County and Town planned that Leesburg’s corporate limits would expand to encompass its service area. Annexation was a “key implementation tool” to accomplish this goal, and the County established a series of “Annexation Guidelines” governing this process. Annexation Guideline #1 stated:

It should be the intent of the County and of the Town that any property located within the Joint Land Management Area (as defined in the policies of this Plan) which is presently or would be served by Town sewer and/or water in accordance with the utility policies included in this Plan, should, in the future, be annexed by the Town.⁸

The County Plan stated that the County’s approval of a rezoning or development proposal that required Town water and sewer service would serve as approval of the annexation of that part of the JLMA to the Town.⁹ This was to be accomplished either through a boundary adjustment or

⁴ *Id.*

⁵ *Id.* at 204 (Town Public Utility Policy #1).

⁶ *Id.* (Town Public Utility Policy #2).

⁷ *Id.* (Town Public Utility Policy #5).

⁸ *Id.* at 224-25.

⁹ *Id.* at 225 (Annexation Guideline #5).

annexation proceeding, depending on the size of the property.¹⁰ The purpose of annexation was to increase the role Leesburg played “in the provision of public facilities, services, utilities and commercial products and services” as well as “the enhancement of [Leesburg’s] tax revenues.”¹¹

2. The Development of Compass Creek.

The Town has systematically planned and developed the utility and transportation infrastructure which made the development of Compass Creek possible.

Historically, a major limiting factor impeding Compass Creek’s development was street access. While Town streets—Route 654 (Tolbert Lane)—provided street access from the north, this two lane road was not designed as a major thoroughfare. Beginning in 1986, the Town began planning for the construction of Battlefield Parkway, a four lane divided highway which would provide arterial access to outlying areas of the Town and the JLMA, including Compass Creek. In 2008, construction of an extension of Battlefield Parkway, directly to the north of Compass Creek, was completed. Thus, the Town street and sidewalk system—Battlefield Parkway—provides the only pedestrian and the primary vehicle access to Compass Creek.

While construction of Battlefield Parkway was underway, the developer of Compass Creek applied to rezone the property for primarily residential uses. The Town recommended that the County deny the rezoning request because the Town Plan designated the Compass Creek area for industrial and commercial uses, not residential uses. The County denied the rezoning request in 2007.

¹⁰ *Id.* (Annexation Guideline #6).

¹¹ *Id.* at 201.

After the developer filed a lawsuit challenging the County's denial, in June 2008, the County Board of Supervisors unilaterally initiated the up-zoning of Compass Creek for industrial uses.¹² The County Board of Supervisors June 3, 2008 Resolution initiating this rezoning stated:

WHEREAS, the Town of Leesburg is willing to provide central utilities to the [Compass Creek] property for appropriate commercial development and to negotiate an agreement to annex that property into its corporate limits.¹³

This Resolution states the expectation that the Town would provide utilities to Compass Creek, and that this area would be annexed into the Town.

Commercial development began in 2012 under the name "Crosstrail Commercial Center," when the developer applied to rezone a portion of Compass Creek for commercial uses.¹⁴ This 57.4 acre area comprised the northern portion of Compass Creek, and was originally planned as a mixed-use development containing approximately 550,000 square feet of retail space, 100,000 square feet of office uses, as well as a variety of other uses, including a hotel, restaurants, a gas station, child care center, and other support services.¹⁵ Proffers included in the zoning application stated that the development would be served by Town water and sewer.¹⁶ The County approved the requested rezoning in December 2013.

In August 2014, the developer began Phase I of the development, now renamed "Compass Creek Commercial Center."¹⁷ This included a 189,000 square foot retail building—Walmart Store

¹² See Loudoun County Application Number: ZMAP-2008-0009.

¹³ Board of Supervisors Resolution, In Re: Initiation of Zoning Map Amendment for the Crosstrail Property (June 3, 2008).

¹⁴ See Loudoun County Application Number: ZMAP-2012-0021.

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ See Loudoun County Application Number: CPAP-2014-0034

#1904-05.¹⁸ The development continued to evolve, and updated plans included indoor ice skating facilities for recreational and professional uses (the ION International Training Center),¹⁹ and an At Home retail store.²⁰

This commercial development was made possible through the extension of Town water and sewer infrastructure to Compass Creek. During the construction of the Battlefield Parkway, the Town's watermain infrastructure was extended along the new roadway, and positioned the Town to provide water service to Compass Creek. In June, 2015, the Town Council approved Phase 1 of Compass Creek as an out-of-town water and sewer customer. Phase 1 of Compass Creek included the ION Center, Walmart, the At Home store, and a commercial area including restaurants, office buildings, and potentially a hotel.²¹ The Town entered into an agreement with the developer where the Town paid \$4 million for the construction of sewer system infrastructure to serve Compass Creek. The Town water and sewer lines serving Compass Creek were completed in 2017.²²

In 2018, the Microsoft Corporation purchased the 333.4992 acre parcel at the southern portion of the Compass Creek development.²³ Phase 1A and 1B of Microsoft's development consists of two data centers on the northern portion of the property.

¹⁸ See Loudoun County Application Number: STPL-2014-0049.

¹⁹ See Loudoun County Application Number: STPL-2016-0048; STMP-2018-0002.

²⁰ See Loudoun County Application Number: STPL-2018-0055.

²¹ Town Council Resolution No. 2015-072, A Resolution Authorizing an Agreement and Approving a Performance Guarantee and Water and Sewer Extension Permits for Compass Creek Commercial Center Phase I (TLPF-2014-0023) (June 23, 2015).

²² March 24, 2015 Agreement for the Construction of Phase II Lower Sycolin Gravity Main.

²³ Special Warranty Deed, Leesburg Commercial, LC, as grantor, to Microsoft Corporation, as grantee (September 20, 2018). The sale price was \$71,034,600.

Compass Creek continues to be a desired location for data center development. This is driven by the availability of vacant land zoned for industrial uses (including land use regulations permitting by-right data center development), Town water and sewer service (required for cooling operations), ready access through the Town street system, adequate power and telecommunications facilities, and the absence of incompatible property uses in the area.

Microsoft’s development plans indicate it will construct an additional three data centers—Phase 2 will contain two data centers in the center of the parcel, and the final phase will contain one data center on the southern portion of the parcel. The Town has approved the extension of water and sewer service to the remainder of the Microsoft data center campus.²⁴

Additionally, the developer of Compass Creek filed an application with the County seeking to rezone a portion of the remaining vacant parcel to “Planned Development-Industrial Park” (“PD-IP”) to allow for data center uses.²⁵ Development plans for this property indicate that the Leesburg Commercial parcel will contain two additional data centers.²⁶

3. Prior Compass Creek Boundary Adjustments.

The Town and the County have completed one boundary adjustment that brought the northern portion of Compass Creek into the Town’s corporate limits. On April 28, 2020, the Circuit Court of Loudoun County approved a boundary adjustment involving 120.03 acres of Compass Creek, including a portion of the ION International Training Center property; the commercial area being developed with restaurants, a hotel, and office space; as well as several parcels owned by the Town surrounding the Leesburg Airport. Consistent with the Town’s and the County’s JLMA

²⁴ Town Council Resolution 2020-066; Town Council Resolution 2020-089.

²⁵ Loudoun County Application Number: ZMAP-2021-0012.

²⁶ July 27, 2022 developer presentation to Town of Leesburg concerning data centers on Leesburg Commercial parcel.

policies, this boundary adjustment occurred once the Town began providing water and sewer service to these parcels.²⁷ A map showing this boundary adjustment, in relation to the entirety of the Compass Creek development and the Annexation Area, is attached as **Map 9**.

The Town and the County have agreed to a second 39.13 acre boundary adjustment which would bring the Walmart, At Home, and CC Outparcel properties into the Town boundaries. Both Walmart and At Home have consented to this boundary adjustment.²⁸ On October 12, 2021, Leesburg Town Council approved this second boundary adjustment,²⁹ and the Loudoun County Board of Supervisors approved this adjustment on April 13, 2022.³⁰ The Town has provided the County with all documents required to initiate this boundary adjustment with the circuit court. As of the date of this notice, however, the County has not acted on the second boundary adjustment. Given that the County has approved, but not acted on, this second boundary adjustment, the Town has included the three properties in the present Annexation Area.

4. Urban Services.

The Town provides municipal services to most of Compass Creek, and it has the ability to provide full municipal services to the Annexation Area, which comprises the remainder of Compass Creek.

Existing development in the Annexation Area has relied on the availability of Town water and sewer service and access to the Town's street system. Both the Walmart and the At Home

²⁷ *In re: Change of Boundary Between the Town of Leesburg, Virginia and Loudoun County, Virginia*, Case No. CL20-2343.

²⁸ Walmart Consent to Boundary Line Adjustment/Parcel (May 7, 2021); At Home Updated Consent to Boundary line Agreement (November 3, 2020).

²⁹ Town Council Resolution 2021-156 (adopted October 12, 2021).

³⁰ *In Re: Boundary Line Agreement Between the Town of Leesburg and Loudoun County* (April 13, 2022).

parcels are currently served by Town water and sewer utilities, and the primary street access to these properties—and the entirety of Compass Creek—is from Battlefield Parkway.

Additionally, the development of the Microsoft property could not have occurred according to Microsoft’s aggressive construction schedule without the availability of Town water and sewer service and access to the Town’s street system. The Microsoft data center development requires a large volume of water and sewer service, and required increasing the size of the planned water main to accommodate Microsoft’s needs. The Town Council approved the extension of water and sewer service to the Microsoft parcel for the Phase 1 data centers by Resolution dated November 26, 2019.³¹ Section 10 of this Resolution states:

Based on the extension of Town water and sanitary sewer service to Microsoft Phase I, the Town anticipates that the Microsoft Phase I area will be incorporated into the Town boundaries in the future, either through Boundary Line Adjustment or Annexation, and as provided for in the Town Plan.³²

In July 2020, the Town also entered into a Water and Wastewater Service Agreement with Microsoft, which includes specific provisions to meet Microsoft’s operational needs.³³

By Resolutions dated May 26 and August 20, 2020, the Town Council approved the remainder of the Microsoft project as an out-of-town customer.³⁴ Section 11 of the August 20, 2020 Resolution states:

Based on the extension of Town water and sanitary sewer service to Microsoft Phase I and Phase II, the Town anticipates that the Microsoft Phase I and Phase II areas will be incorporated in to the Town boundaries in the future, either by Boundary Line Agreement or Annexation, and as provided for in the Town Plan, or that the

³¹ Town Council Resolution No. 2019-180 (Nov. 26, 2019).

³² *Id.* at 4.

³³ Water and Wastewater Service Agreement for the Microsoft Project (July 14, 2020).

³⁴ Town Council Resolution No. 2020-006 (May 26, 2020); Town Council Resolution No. 2020-089 (Aug. 11, 2020).

Town and the County will enter into an economic development and revenue sharing/joint exercise of powers agreement with respect to the Microsoft property.³⁵

Therefore, the existing and future development of properties in the Annexation Area—the Walmart, At Home, Microsoft, and Leesburg Commercial parcels—would not be possible without the availability of the Town’s water and sewer system, as well as access through Town streets.

The properties in the Annexation Area will also benefit from being incorporated into the Town through the higher level of municipal services provided by the Town, including the law enforcement services. Additionally, property owners will pay lower rates for water and sewer service as in-town customers.

5. Natural Extension of Town Boundaries.

Compass Creek, including the Annexation Area, is situated directly at the Town’s southern border, and is a natural extension of the Town’s boundaries. The purpose and rationale behind the Leesburg JLMA—including Compass Creek—was to provide a specified area for the Town’s expansion. This has occurred over the past ten years, as the Town has experienced a period of rapid development which has spilled over into Compass Creek. Indeed, the Town is already providing many urban services to the Annexation Area, and the annexation will make the Town’s boundaries consistent with its existing service area. Given its Leesburg street address, access through Leesburg street system, and provision of Leesburg utilities, Compass Creek already feels like a natural part of Leesburg; it is not possible to distinguish the existing Town boundaries within Compass Creek. Thus, the Annexation Area is a natural extension of the Town boundaries.

³⁵ Town Council Resolution No. 2020-089, at 5 (Aug. 11, 2020).

6. The Town needs additional tax resources.

The annexation will address the Town’s need to expand its tax resources. Leesburg is the largest town in Virginia and serves as the seat of Loudoun County. The Town has experienced sustained, rapid population growth, which comes with capital improvement and service needs. However, over the last ten years, the Town has experienced only modest growth in local tax revenue. The Town has managed its existing financial resources well, but the Town needs to expand its tax resources to continue to provide high quality services to its citizens.

The Town will realize a significant financial benefit from the annexation. Once development is completed, the Annexation Area is projected to result in approximately \$9.9 million in gross revenue from real property, business personal property, and other taxes. Despite Leesburg providing the infrastructure necessary for this development, the Town has not fully participated in the resulting increase in local tax resources.

The annexation will have no material adverse effect on Loudoun County. The Annexation Area will remain part of the County. The County will experience a small loss of business and professional license tax revenue, estimated at \$324,691 per year, but this amounts to less than 0.015% of the County’s total annual revenue of over \$2 billion per year.³⁶

7. The Town needs additional vacant land.

The Town is nearly built out within its existing boundaries. The pace of development activity has been consistently high. The parcels in the Town that are most suitable for commercial and industrial development have been developed or are in the process of development. There are only 234.17 acres of vacant land suitable for commercial and industrial development in the Town.

³⁶ Loudoun County Fiscal Year 2021 Annual Comprehensive Financial Report, Table D.

In recent years, commercial and industrial development has occurred in the JLMA, specifically Compass Creek, because there is no suitable land available in the Town. A prime example is Walmart, which previously operated a store within Town limits. When Walmart wanted to expand, it relocated its Leesburg store to a larger parcel in Compass Creek. This development pattern reflects that while portions of the Annexation Area are developed or under development, that development occurred due to the lack of vacant land in the Town. The vacant land in the Annexation Area represents a significant increase in vacant land available for development in the Town.

C. Summary.

The annexation will benefit the Town through a needed expansion of tax resources and vacant land for development. There is no material adverse effect on the County. The Compass Creek property owners already benefit from Town services, and will benefit from additional urban services. Therefore, the annexation of the Compass Creek Annexation Area is necessary and expedient and in the best interest of the Town, the County, the properties in the Annexation Area, and the Commonwealth.

Section II: Notice by the Town of Leesburg

Pursuant to Virginia Code § 15.2-2907(A) and 1 Va. Admin. Code § 50-20-180(A), Leesburg gives the following notice of its intention to petition the Circuit Court of Loudoun County for the annexation of territory in Loudoun.

VIRGINIA:

BEFORE THE COMMISSION ON LOCAL GOVERNMENT

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

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

Pursuant to Virginia Code Ann. § 15.2-2907 and 1 Va. Admin. Code § 50-20-180(A), the Town of Leesburg, Virginia (“Leesburg”) hereby gives notice to the Commission on Local Government and the County of Loudoun (“Loudoun”) of its intention to petition the Circuit Court of Loudoun County for the annexation of territory in Loudoun. In support thereof, Leesburg states as follows:

1. On September 13, 2022, the Town Council of the Town of Leesburg adopted a Resolution, by a recorded affirmative vote of a majority of its members, which declared the Town’s support for the annexation of a certain territory within the County and which authorized the filing of an annexation proceeding with the Commission. A copy of the Resolution is attached as **Section**

III.

2. The area proposed for annexation contains the remaining portion of an area in Loudoun commonly referred to as “Compass Creek,” comprising 402.8317 acres over nine parcels—Property Identification Number (“PIN”) 234-39-2601-000 (20.5521 acres); PIN 234-29-

4515-000 (10.4336 acres); PIN 234-29-0522-000 (1.5 acres); PIN 234-68-3058-001 (0.9601 acres); PIN 234-38-2596-01 (27.9829 acres); PIN 235297431-000 (323.32719 acres); PIN 234-19-2469 (1.3998 acres); a portion of PIN 234-37-8457-001 (approximately 1.3400 acres); and a dedicated right of way for Compass Creek Parkway (approximately 15.2913 acres) that remains in Loudoun. This territory is generally bounded on the west by the Dulles Greenway, the south by Schreve Mill Road, the east by Sycolin Road and the Leesburg Executive Airport, and the north by a line running between the Ion International Training Center and the new Walmart Supercenter. A metes and bounds description of the Annexation Area is set forth in **Section V**, below.

3. Leesburg is providing a copy of this Notice to localities that are contiguous to or share the functions, revenue, or tax sources with Leesburg. The local governments notified are set forth in **Section IV**, below.

4. Pursuant to 1 Va. Admin. Code § 50-20-180(B), the Town submits data, exhibits, documents, and other supporting materials responsive to the relevant elements set forth in 1 Va. Admin. Code § 50-20-540, as attached hereto.

5. The designated contact person for communications with the Commission is:

Gregory J. Haley, Esq.
GENTRY LOCKE
Post Office Box 40013
Roanoke, Virginia 20422
Telephone: 540.983.9300
Mobile: 540.353.5041
Facsimile: 540.983.9400
Email: haley@gentrylocke.com

Mr. Haley serves as counsel to Leesburg.

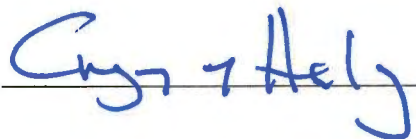
6. Leesburg certifies that all data, exhibits, and other materials submitted to the Commission and the identified sources for all such materials are true, accurate, and correct to the best knowledge of Leesburg officials.

7. The proposed annexation is necessary and expedient considering the best interest of the people of Leesburg, the people of Compass Creek, and the people in the remaining portion of Loudoun, and considering the best interests of the Commonwealth in promoting strong and viable units of local government.

WHEREFORE the Town of Leesburg requests the Commission on Local Government undertake all necessary proceedings to review the proposed annexation and favorably recommend the annexation.

Respectfully submitted this 28th day of September, 2022.

TOWN OF LEESBURG, VIRGINIA

By: 

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Kathleen L. Wright (VSB No. 48942)
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Counsel for the Town of Leesburg

Section III: Resolution

Pursuant to 1 Va. Admin. Code § 50-20-180(A), the following Resolution was passed by the Town Council for the Town of Leesburg evidencing its support for this action.

The Town of
Leesburg,
Virginia

PRESENTED: September 13, 2022

RESOLUTION NO. 2022-113

ADOPTED: September 13, 2022

A RESOLUTION: APPROVING A PLAN FOR ANNEXATION OF TERRITORY TO THE TOWN OF LEESBURG

WHEREAS, the Town of Leesburg (the “Town” or “Leesburg”) and Loudoun County (the “County”) established the Joint Land Management Area (“JLMA”) in 1991. The purpose of the JLMA was to designate land bordering the existing Town corporate limits as areas for the expansion of the Town, to plan for the development of land in the JLMA, and to provide for the annexation of land in the JLMA; and

WHEREAS, the JLMA contains a development commonly known as “Compass Creek,” which is bounded on the west by the Dulles Greenway, the south by Shreve Mill Road, the east by Sycolin Road and the Leesburg Executive Airport, and the north by Battlefield Parkway; and

WHEREAS, the Town provides public water and sewer service to all developed parcels located in Compass Creek; and

WHEREAS, the Town’s street system, including Battlefield Parkway and a portion of Compass Creek Parkway, provides the primary vehicular access and the sole pedestrian access to Compass Creek;

WHEREAS, urban development of Compass Creek began in 2018 with the construction of the ION International Training Center (the “ION Center”); and

WHEREAS, the Circuit Court of Loudoun County, by Order dated April 28, 2020, approved a boundary adjustment that brought a portion of Compass Creek into the Town’s corporate limits, including a portion of the ION Center property as well as a commercial area that is now under development to include restaurants, office buildings, and a hotel; and

WHEREAS, urban development of Compass Creek continued with the construction of the new Walmart Supercenter and At Home stores; and

WHEREAS, pursuant to Resolution 2021-156, dated October 12, 2021, this Council approved a second boundary adjustment which would bring into the Town’s corporate limits

A RESOLUTION: APPROVING A PLAN FOR ANNEXATION OF TERRITORY TO THE TOWN OF LEESBURG

another portion of Compass Creek, including the Walmart Supercenter and At Home parcels; and

WHEREAS, on April 13, 2022, the Loudoun County Board of Supervisors approved this second boundary adjustment; and

WHEREAS, to date, the second boundary adjustment agreement has neither been finalized nor filed with the Loudoun County Circuit Court; and

WHEREAS, the Town seeks to bring the remaining 402.8317 acre portion of Compass Creek into the Town's corporate limits, including the 20.5521 acre property owned by the Walmart Real Estate Business Trust (PIN No. 234-39-261-000); the 10.4336 acre property owned by Realty Income Properties, LLC (PIN No. 234-29-4515-000); the 1.5 acre property owned by CC Outparcel LC (PIN No. 234-29-0522-000); the 323.3719 acres property owned by Microsoft Corporation (PIN No. 235-29-7431); a 27.9829 acre portion of the property owned by Leesburg Commercial, L.C. (PIN No. 234-38-2596); a 0.9601 acre portion of the property owned by CC Skating, LLC (PIN No. 234-68-3058); a 1.3998 acre property owned by Leesburg Commercial, L.C. containing a "vernal pool" (PIN No. 234-19-2469); the 1.34 area property containing the Dulles Greenway Toll Road off ramp (PIN No. 234-37-8457); and a dedicated right of way for the Compass Creek Parkway (collectively, the "Annexation Area"); and

WHEREAS, the Town has stated its willingness to negotiate boundary adjustment and annexation issues with the County related to the continued expansion of the Town to include the remaining parcels in Compass Creek, consistent with the historical purpose of the JLMA, and to consider the County's legitimate concerns over issues specifically related to this annexation; and

WHEREAS, the Town and the County have been unable to arrive at an agreement related to the continued expansion of the Town's corporate limits; and

WHEREAS, the Town has investigated the expansion of the Town's corporate limits, including the annexation of the remaining parts of Compass Creek that are not already within the Town boundary. The information developed by the Town demonstrates that the annexation

A RESOLUTION: APPROVING A PLAN FOR ANNEXATION OF TERRITORY TO
THE TOWN OF LEESBURG

of the Annexation Area is in the public interest and will benefit the Town, the Annexation Area, and the remaining areas in the County; and

WHEREAS, this Resolution sets forth the reasons for the Town's decision to seek annexation and states the Council's position with respect to the annexation. The Town will provide additional information through its Notice of Annexation and other materials filed with the Commission on Local Government, materials filed with the special annexation court, and materials presented at public hearings and proceedings.

THEREFORE, RESOLVED, by the Council of the Town of Leesburg in Virginia as follows:

This Council adopts the following statement on its plan for annexation of territory now outside the Town of Leesburg corporate limits:

1. Leesburg intends to pursue annexation of the Annexation Area pursuant to Chapters 29 and 32 of Title 15.2 of the Code of Virginia (1950), as amended. The Annexation Area is part of Compass Creek, a developing urban area adjacent to the Town's southern boundary. The Town already provides water and sewer service to the Annexation Area, and the Town street system is necessary for access to Compass Creek, including the Annexation Area. Compass Creek, including the Annexation Area, could not have developed without access to these Town services, and the Town is willing and able to provide additional urban services to the Annexation Area.
2. The Town will devote appropriate resources to seek equitable resolution of this annexation plan. Leesburg seeks only to govern those areas, in cooperation with the County, in which its vital interests lie, specifically those developing at an urban density and those areas required to protect and preserve Leesburg's identity as a distinct urban area.
3. Leesburg has stated its willingness to negotiate annexation issues with the County and to address the County's concerns. The Town remains willing to negotiate these issues.


A RESOLUTION: APPROVING A PLAN FOR ANNEXATION OF TERRITORY TO THE TOWN OF LEESBURG

4. The Town will initiate the annexation of the Annexation Area pursuant to Chapters 29 and 32 of Title 15.2 of the Code of Virginia (1950), as amended. This procedure will involve notice to the Virginia Commission on Local Government and associated proceedings, followed by a petition to Circuit Court for Loudoun County for the annexation of the Annexation Area.
5. Leesburg's notice to the Virginia Commission on Local Government will include:
 - (i) notice to the County;
 - (ii) submission of detailed information in support of the annexation;
 - (iii) meetings between the Town and the County during the course of the Commission proceedings; and
 - (iv) proceedings before the Commission, culminating in a written report prepared by the Commission setting forth its findings of fact and recommendations on the annexation. This process is required before the Town may file an action in circuit court seeking annexation.
6. Following the Commission's report, the Town will petition the Circuit Court for Loudoun County. This petition will be heard by a special annexation court appointed by the Supreme Court of Virginia. The special annexation court will hold a hearing on the annexation and render a decision regarding the necessity and expediency of the annexation.
7. The Town recognizes that it will incur costs and expenses in the annexation proceedings, but it anticipates those costs will be reasonable when weighed against the benefits of annexation.
8. Leesburg believes the proposed annexation benefits the Town, the Annexation Area, and the County in the following ways:
 - (a) the properties in the Annexation Area already benefit from the availability of Town water and sewer services, and are primarily accessed through the Town street system;
 - (b) the Town will benefit from the annexation because it will expand its tax resources, which will allow it to provide existing and additional urban services to the Town, the Annexation Area, and the surrounding region;
 - (c) the development of the Annexation Area will create additional employment opportunities for Town citizens and area residents;
 - (d) the properties in the Annexation Area will benefit from a higher level of municipal services provided

A RESOLUTION: APPROVING A PLAN FOR ANNEXATION OF TERRITORY TO
THE TOWN OF LEESBURG

by the Town, as well as lower water and sewer charges; (e) the annexation will not have any material adverse effect on the County, as the County will continue to collect taxes from the Annexation Area, and the property in the Annexation Area will remain a part of the County; and (f) the Commonwealth and the County will benefit because Leesburg will be a more viable and vibrant locality with enhanced resources to provide high quality municipal services to its citizens and the surrounding region.

PASSED this 13th day of September, 2022.



Kelly Burk, Mayor
Town of Leesburg

ATTEST:



Clerk of Council

Section IV: Localities Notified

Pursuant to Virginia Code § 15.2-2907(E) and 1 Va. Admin. Code § 50-20-180(C), the following localities that are adjacent to the Town of Leesburg, or share functions, revenue, or tax sources with the Town of Leesburg have been provided with a copy of this Notice:

Loudon County

Tim Hemstreet
County Administrator
1 Harrison Street, 5th Floor
P.O. Box 7000
Leesburg, Virginia 20177
Telephone: 703.777.0200
Email: coadmin@loudon.gov

Phyllis J. Randall
Board of Supervisors, Chair At-Large
P.O. Box 7000
Leesburg, Virginia 20177
Telephone: 703.777.0204
Email: Phyllis.Randall@loudoun.gov

Leo Rogers
County Attorney
1 Harrison Street
P.O. Box 7000
Leesburg, Virginia 20177
Telephone: 703.777.0307
Email: attorney@loudon.gov

Arlington County

Mark Schwartz
County Manager
2100 Clarendon Boulevard, Suite 318
Arlington, Virginia 22201
Telephone: 703.228.3120
Email: countymanager@arlingtonva.us

Katie Cristol
Board of Supervisors, Chair
2100 Clarendon Boulevard, Suite 300
Arlington, Virginia 22201
Telephone: 703.228.3130
Email: countyboard@arlingtonva.us

MinhChau Corr
County Attorney
2100 Clarendon Boulevard, Suite 403
Arlington, Virginia 22201
Telephone: 703228.3100
Email: coa@arlingtonva.us

Fairfax County

Bryan Hill
County Executive
12000 Government Center Parkway
Fairfax, Virginia 22035
Telephone: 703.324.3151
Email: bryan.hill@fairfaxcounty.gov

Jeffrey C. McKay
Board of Supervisors, Chairman
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Telephone: 703.324.3151
Email: chairman@fairfaxcounty.gov

Steve Descano
County Attorney
12000 Government Center Parkway
Fairfax, Virginia 22035
Telephone: 703.324.2421

Prince William County

Elijah Johnson
Acting County Executive
1 County Complex Court
Prince William, Virginia 22192
Telephone: 703.792.6600
Email: communications@pwcgov.org

Ann B. Wheeler
Board of Supervisors, Chair-at-Large
1 County Complex Court
Prince William, Virginia 22192
Telephone: 703.792.4640
Email: chair@pwcgo.org

Michelle R. Robl
County Attorney
1 County Complex Court, Suite 240
Prince William, Virginia 22192
Telephone: 703.792.6620

City of Alexandria

James F. Parajon
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301 King Street
P.O. Box 178
Alexandria, Virginia 22313
Telephone: 703.746.4311

Justin Wilson
Mayor
301 King Street
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Alexandria, Virginia 22313
Telephone: 703.746.4311
Email: justin.wilson@alexandriava.gov

Alexandria Joanna Anderson
City Attorney
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Alexandria, Virginia 22313
Telephone: 703.746.3750

City of Fairfax

Robert A. Stalzer
City Manager
10455 Armstrong Street, Room 316
Fairfax, Virginia 22030
Telephone: 703.385.7850
Email: Rob.Stalzer@fairfaxva.gov

David L. Meyer
Mayor
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Fairfax, Virginia 22030
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City of Falls Church

Wyatt Shields
City Manager
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P. David Tarter
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Carol McCoskrie
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City of Manassas

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Michelle David-Younger
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Stephen Craig Brown
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City of Manassas Park

Laszlo Palko
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Manassas Park, Virginia 20111
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Jeanette Rishell
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Manassas Park, Virginia 20111
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Dean Crowhurst
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Manassas Park, Virginia 20111
Telephone: 703.335.8800

Town of Dumfries

Keith Rogers
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Derrick R. Wood
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Olaun Simmons
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Town of Herndon

Bill Ashton
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Herndon, Virginia 20170
Telephone: 703.787.7368
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Sheila A. Olem
Mayor
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Lesa J. Yeatts
Town Attorney
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Telephone: 703.787.7370
Email: town.attorney@herndon-va.gov

Town of Purcellville

David A. Mekarski
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221 South Nursery Avenue
Purcellville, Virginia 20132
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Kwasi Fraser
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Town of Vienna

Mercury T. Payton
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127 Center Street South
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Linda J. Colbert
Mayor
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Steven D. Briglia
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Town of Round Hill

Melissa Hynes
Town Administrator
23 Main Street
Round Hill, VA 20141
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Scott Ramsey
Mayor
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Telephone: 540.338.7878

Maureen Gilmore
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Town of Middleburg

Danny David
Town Manager
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Trowbridge Littleton
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Middleburg, Virginia 20117
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Martin R. Crim
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Town of Lovettsville

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Town of Hillsboro

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Town Attorney
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Hillsboro, VA 20132
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Town of Hamilton

Kenneth C. Wine
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53 E. Colonial Highway
Hamilton, Virginia 20158
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Email: mayor@hamiltonva.gov

Maureen Gilmore
Town Attorney
53 E. Colonial Highway
Hamilton, Virginia 20158
Telephone: 540.338.2811
Email: townattorney@hamiltonva.gov

Section V: Metes and Bounds Description

Pursuant to 1 Va. Admin. Code § 50-20-540(1), the metes and bounds description of the boundaries of the area proposed for annexation is as follows:

Beginning at a *point* in the westerly right of way line of Sycolin Road and in the line of the existing Leesburg Corporate Limits; thence running with Sycolin Road the following courses and distances:

S 11°00'42" W a distance of **126.69** feet to a *point*;
S 07°57'26" W a distance of **52.70** feet to a *point*;
Along the arc of a curve to the left with a radius of **2,710.24** feet, having a chord bearing of **S 06°49'23" W** and a chord distance of **107.28** feet, and an arc length of **107.29** feet to a *point*;
S 00°12'10" W a distance of **211.78** feet to a *point*;
S 00°25'29" W a distance of **73.76** feet to a *point*;
S 01°30'44" E a distance of **333.70** feet to a *point*;
S 04°05'49" W a distance of **35.32** feet to a *point*;
S 03°05'31" W a distance of **199.05** feet to a *point*;
S 13°37'59" W a distance of **46.08** feet to a *point*;
S 05°17'35" W a distance of **247.98** feet to a *point*.

Thence departing Sycolin Road the following courses and distances:

S 75°20'50" W a distance of **71.75** feet to an iron pipe found;
S 83°36'13" W a distance of **123.91** feet to iron pipe found;
S 22°58'25" W a distance of **555.65** feet to an iron pipe found in the northerly line of Shreve Mill Road;

Thence running generally with Shreve Mill Road the following courses and distances:

N 87°44'55" W a distance of **201.32** feet to an iron pipe found;
Along the arc of a curve to the left with a radius of **415.00** feet, having a chord bearing of **S 83°13'53" W** and a chord distance of **130.13** feet, and an arc length of **130.67** feet to an iron pipe found;
S 74°12'41" W a distance of **111.31** feet to an iron pipe found;
Along the arc of a curve to the right with a radius of **185.00** feet, having a chord bearing of **S 85°42'41" W** and a chord distance of **73.77** feet, and an arc length of **74.26** feet to an iron pipe found;
N 82°47'19" W a distance of **71.87** feet to a *point*;
Along the arc of a curve to the left with a radius of **135.00** feet, having a chord bearing of **S 83°12'41" W** and a chord distance of **65.32** feet, and an arc length of **65.97** feet to a *point*;
S 69°12'41" W a distance of **127.11** feet to an iron pipe found;

Along the arc of a curve to the right with a radius of **185.00** feet, having a chord bearing of **S 79°50'04" W** and a chord distance of **68.21** feet, and an arc length of **68.60** feet to an iron pipe found;

N 89°32'33" W a distance of **52.09** feet to an iron pipe found;

S 15°03'44" W a distance of **17.37** feet to a *point*;

N 86°37'42" W a distance of **515.32** feet to an iron pipe found;

N 84°02'22" W a distance of **101.25** feet to an iron pipe found;

Along the arc of a curve to the left with a radius of **593.80** feet, having a chord bearing of **S 89°28'54" W** and a chord distance of **134.01** feet, and an arc length of **134.29** feet to a *point*;

S 83°00'09" W a distance of **0.56** feet to an iron pipe found in the easterly line of the Dulles Greenway Access Ramps;

Thence generally running with the Dulles Greenway Access Ramp the following courses and distances:

N 19°00'00" W a distance of **280.46** feet to a PK nail found;

Along the arc of a curve to the right with a radius of **35.00** feet, having a chord bearing of **N 21°00'02" E** and a chord distance of **45.00** feet, and an arc length of **48.87** feet to an iron pipe found;

N 29°00'00" W a distance of **102.05** feet to an iron pipe found;

Along the arc of a curve to the right with a radius of **35.00** feet, having a chord bearing of **S 86°08'23" W** and a chord distance of **49.38** feet, and an arc length of **54.81** feet to an iron pipe found;

N 49°00'00" W a distance of **84.77** feet to an iron pipe found;

Along the arc of a curve to the left with a radius of **868.51** feet, having a chord bearing of **N 63°12'04" W** and a chord distance of **426.14** feet, and an arc length of **430.54** feet to a rebar found;

N 77°24'09" W a distance of **238.04** feet to an iron pipe found;

Along the arc of a curve to the right with a radius of **991.74** feet, having a chord bearing of **N 59°17'47" W** and a chord distance of **616.42** feet, and an arc length of **626.80** feet to a rebar found;

S 48°48'35" W a distance of **5.00** feet to an iron pipe found in the easterly line of Dulles Greenway;

Thence generally running with the easterly line of Dulles Greenway the following courses and distances:

N 41°11'25" W a distance of **207.39** feet to a rebar found;

Along the arc of a curve to the right with a radius of **1,307.39** feet, having a chord bearing of **N 09°59'11" W** and a chord distance of **1,354.67** feet, and an arc length of **1,424.03** feet to an iron pipe found;

N 21°13'02" E a distance of **1,048.86** feet to an iron pipe found;

Along the arc of a curve to the left with a radius of **1,557.39** feet, having a chord bearing of **N 05°27'49" E** and a chord distance of **845.67** feet, and an arc length of **856.42** feet to an iron pipe found;

Along the arc of a curve turning to the left with a radius of **1,493.54** feet, having a chord bearing of **N 14°19'19" W** and a chord distance of **369.77** feet, and an arc length of **370.72** feet to an iron pipe found;

N 21°06'35" W a distance of **31.03** feet to an iron pipe found;

N 23°22'31" W a distance of **191.39** feet to an iron pipe found;

N 24°06'30" W a distance of **388.29** feet to an iron pipe found;

N 23°22'31" W a distance of **221.11** feet to an iron pipe found;

Along the arc of a curve to the right with a radius of **562.00** feet, having a chord bearing of **N 01°55'02" W** and a chord distance of **411.18** feet, and an arc length of **420.95** feet to a *point*;

N 19°33'43" E a distance of **50.41** feet to an iron pipe found;

N 70°24'58" W a distance of **96.00** feet to a *point*;

S 19°35'02" W a distance of **50.00** feet to a *point*;

Along the arc of a curve to the left with a radius of **658.00** feet, having a chord bearing of **S 15°50'02" W** and a chord distance of **86.07** feet, and an arc length of **86.13** feet to a *point*;

Along the arc of a curve to the right with a radius of **1,307.39** feet, having a chord bearing of **N 05°21'41" W** and a chord distance of **90.19** feet, and an arc length of **90.21** feet to a *point*;

N 03°23'05" W a distance of **1,878.88** feet to an iron pipe found;

Along the arc of a curve to the right with a radius of **5,656.05** feet, having a chord bearing of **N 00°36'28" W** and a chord distance of **550.69** feet, and an arc length of **550.91** feet to a *point*;

Thence departing Dulles Greenway and running with the Town of Leesburg Corporate Limits with a bearing of **N 86°51'56" E** a distance of **727.27** feet to a *point* in the westerly right of way line of Compass Creek Parkway;

Thence running with Compass Creek Parkway the following courses and distances:

S 18°29'17" W a distance of **150.32** feet to a *point*;

Along the arc of a curve to the left with a radius of **1,584.50** feet, having a chord bearing of **S 15°07'51" W** and a chord distance of **181.87** feet, and an arc length of **181.97** feet to a *point*;

S 16°35'32" W a distance of **104.12** feet to a *point*;

Along the arc of a curve to the left with a radius of **1,596.50** feet, having a chord bearing of **S 04°13'53" E** and a chord distance of **216.21** feet, and an arc length of **216.37** feet to a *point*;

Thence crossing Compass Creek Parkway **N 88°09'42" E** a distance of **189.32** feet to a *point*;

Thence running with Lot 9 Shopping Center at Compass Creek the following courses and distances:

N 70°42'14" E a distance of **242.19** feet to a *point*;

Along the arc of a curve to the right with a radius of **75.00** feet, having a chord bearing of **N 86°11'09" W** and a chord distance of **34.70** feet, and an arc length of **35.02** feet to a *point*;

S 78°19'56" E a distance of **40.09** feet to a *point*;

N 70°42'14" E a distance of **437.36** feet to a *point* in the westerly line of the Town of Leesburg Corporate Limits;

Thence running with the Town of Leesburg Corporate Limits the following courses and distances:

S 19°17'58" E a distance of **1,942.51** feet to an iron pipe found;

S 55°19'54" W a distance of **387.19** feet to an iron pipe found;

Along the arc of a curve to the right with a radius of **845.00** feet, having a chord bearing of **S 22°57'30" E** and a chord distance of **343.00** feet, and an arc length of **345.40** feet to a *point*;

S 11°14'54" E a distance of **2,169.28** feet to a *point*;

Along the arc of a curve to the right with a radius of **3,032.88** feet, having a chord bearing of **S 03°21'26" E** and a chord distance of **839.45** feet, and an arc length of **842.15** feet to a *point*;

S 85°22'59" E a distance of **359.82** feet to a *point*;

N 70°14'09" E a distance of **556.94** feet to a *point*;

S 19°17'58" E a distance of **911.39** feet to an iron pipe found;

S 10°46'07" E a distance of **33.71** feet to an iron pipe found;

N 70°42'02" E a distance of **525.93** feet to the *point of beginning*, and containing **17,547,349** square feet or **402.8317** acres more or less.

Source: Christopher Consultants

Section VI: Maps

Pursuant to 1 Va. Admin. Code § 50-20-540(2), Leesburg provides the following maps showing the boundaries of the area proposed for annexation, their geographic relationship to existing political boundaries, as well as other pertinent information.

Map 1. Boundaries of the proposed Annexation Area, showing the boundaries of each parcel contained therein, and the geographic relationship to the Town's corporate limits.

Map 2. Survey plat of the Annexation Area.

Map 3. Existing land uses within the Town.

Map 4. Water and sewer projects providing Town utilities to Compass Creek.

Map 5. Town water service infrastructure.

Map 6. Town sewer service infrastructure.

Map 7. Town street system.

Map 8. Prior boundary adjustments between the Town and the County.

Map 9. Prior boundary adjustments between the Town and the County involving land in Compass Creek.

Maps 1-9 are available on file with the commission.

Section VII: General Data

Pursuant to 1 Va. Admin. Code § 50-20-540(3-4), Leesburg provides the following population and land use data and other evidence relevant to the proposed annexation.

Leesburg is located in the east-central portion of Loudoun County adjacent to the Potomac River. Leesburg was established by an Act of the Virginia General Assembly in September 1758, and was formally incorporated in 1813. Leesburg is the largest town in Loudoun County, encompassing approximately 12.39 square miles of land area (approximately 8,096.41 acres), followed by the Town of Purcellville (1,977 acres), the Town of Middleburg (666 acres), the Town of Lovettsville (544 acres), the Town of Round Hill (237 acres), the Town of Hillsboro (173 acres), and the Town of Hamilton (134 acres).

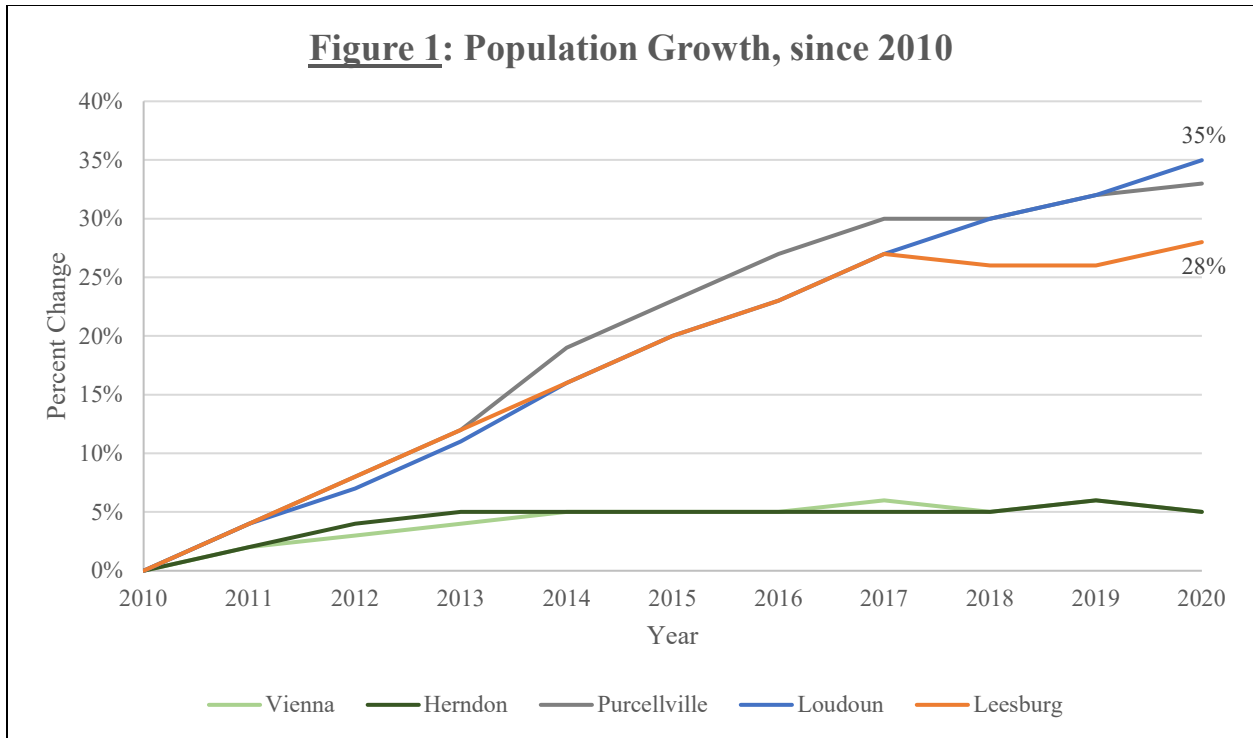
| <u>Table 1: Geographic Profile</u> | | |
|---|------------|-------|
| Town of Leesburg | 8,096.41 | acres |
| Loudoun County | | |
| Total Land Area | 333,575.15 | acres |
| Unincorporated County | 321,529.02 | acres |
| Proposed Annexation Area | 402.8317 | acres |

A. Population Trends

According to the 2020 United States Census, Leesburg has a population of 48,250 and, thus, has a population density of approximately 6 persons per acre. This makes Leesburg not only the most populous town in Loudoun County, but also the municipality with the highest population density. By contrast, unincorporated Loudoun County has a total population of 420,959, spread out over 318,298.24 acres of land area, thus having a population density of 1.28 persons per acre.

| Table 2: Population Data | | |
|---------------------------------|---------|---------|
| Town of Leesburg | | |
| 1980 U.S. Census | 8,357 | persons |
| 1990 U.S. Census | 16,202 | persons |
| 2000 U.S. Census | 28,311 | persons |
| 2010 U.S. Census | 42,616 | persons |
| 2020 U.S. Census | 48,250 | persons |
| Loudoun County | | |
| Including Towns | | |
| 1980 U.S. Census | 57,427 | persons |
| 1990 U.S. Census | 86,129 | persons |
| 2000 U.S. Census | 169,599 | persons |
| 2010 U.S. Census | 312,311 | persons |
| 2020 U.S. Census | 420,959 | persons |
| Unincorporated | | |
| 1980 U.S. Census | 45,078 | persons |
| 1990 U.S. Census | 65,599 | persons |
| 2000 U.S. Census | 135,061 | persons |
| 2010 U.S. Census | 258,557 | persons |
| 2020 U.S. Census | 358,991 | persons |
| Annexation Area | | |
| 1980 U.S. Census | 0 | persons |
| 1990 U.S. Census | 0 | persons |
| 2000 U.S. Census | 0 | persons |
| 2010 U.S. Census | 0 | persons |
| 2020 U.S. Census | 0 | persons |

Over the past ten years, both Leesburg and Loudoun have experienced significant population growth. As shown below, the population of Leesburg has increased by twenty-eight percent (28%), and the population of unincorporated Loudoun County has increased by thirty-five percent (35%). The Town and the County have grown at comparable rates since 2010, with the County slightly outpacing the Town since 2017. The rate of population growth in Leesburg and Loudoun is also comparable to that of Purcellville, the second largest town in the County.



The population growth rate in Leesburg and Loudoun significantly exceeds towns of similar size in northern Virginia. For example, the Towns of Herndon (2020 population: 24,655; size: 2,732.8 acres) and Vienna (2020 population: 16,473; size: 2,822.4 acres) located in Fairfax County, are the next largest towns after Leesburg. The populations of Herndon and Vienna have each grown by approximately 5% since 2010. However, their populations have remained largely static since 2013.

These data indicate that Leesburg and unincorporated Loudoun County have been a focal point for population growth in northern Virginia since 2010, and have outpaced that of similar towns over this same time period.

Sources: Betsy Arnett, Town Public Information Officer

United States Census Bureau, 1980, 1990, 2000, 2010, 2020 Decennial Census

B. Land Use Profile

While Leesburg has enjoyed sustained population growth, Leesburg has a finite amount of land for use and development within its corporate limits. Existing land uses in the Town are primarily dedicated to residential development (71.99%); commercial (13.15%); and industrial (4.77%). Land dedicated to special uses is primarily focused on the Leesburg Executive Airport (281 acres); the Inova hospital (31.83 acres); and governmental buildings (19.26 acres). The existing land uses in the County are primarily dedicated to agricultural uses (67.25%) and residential uses (19.47%). Tables 3 and 4 set forth land uses in the Town, County, and Annexation Area.

| Table 3: Land-Use Profile | | | | | | |
|---|-----------------|-------------|-------------------|-------------|-----------------|-------------|
| Use | Leesburg | | Loudoun | | Annexation Area | |
| | Acres | Percentage | Acres | Percentage | Acres | Percentage |
| Residential | 5828.91 | 71.99% | 64,941.35 | 19.47% | 0 | 0% |
| Commercial | 1064.85 | 13.15% | 6,034.90 | 1.81% | 27.98 | 7.62% |
| Industrial | 386.32 | 4.77% | 14,925.45 | 4.47% | 325.67 | 88.65% |
| Mixed Use | 115.37 | 1.42% | 6,117.53 | 1.83% | 0 | 0% |
| Agricultural | 0 | 0% | 224,340.87 | 67.25% | 0 | 0% |
| Special Use | 348.14 | 4.30% | 536.01 | 0.16% | 0 | 0% |
| Parks, Natural Areas, Preserved Open Space | 352.82 | 4.36% | N/A | N/A | 1.4 | 0.38% |
| Town Land | N/A | N/A | 12,046.13 | 3.61% | N/A | N/A |
| JLMA | N/A | N/A | 4,632.90 | 1.39% | N/A | N/A |
| Total | 8,096.41 | 100% | 333,575.15 | 100% | 367.37 | 100% |

| Table 4: Annexation Area | | | | |
|------------------------------------|-----------------|-----------------|----------|-----------------------|
| Owner | PIN | Zoning | Acreage | Use |
| Walmart Real Estate Business Trust | 234-39-2601-000 | PDCCSC | 20.5521 | Walmart |
| Realty Income Properties, LLC | 234-29-4515-000 | PDCCSC | 10.4336 | At Home store |
| CC Outparcel LC | 234-29-0522-000 | PDCCSC | 1.5 | Undeveloped |
| CC Skating LLC | 234-68-3058-001 | PDIP | 0.9601 | ION Center property |
| Leesburg Commercial, L.C. | 234-38-2596-001 | PDIP/ PDCCSC | 27.9829 | Undeveloped |
| Microsoft Corporation | 235-29-7431-000 | PDIP | 323.3719 | Data Center Campus |
| Leesburg Commercial, L.C. | 234-19-2469 | PDIP | 1.3998 | Vernal Pool |
| Toll Road Off Ramp | 234-37-8457-001 | PDIP | 1.3400 | Greenway Off Ramp |
| Dedicated Right-of-Way | | | 15.2913 | Compass Creek Parkway |

The Annexation Area comprises eight parcels in the Compass Creek section of the Leesburg JLMA as well as a dedicated right-of-way for the Compass Creek Parkway. Four parcels are zoned “Planned Development-Industrial Park” (“PD-IP”), which the County defines as “light and medium industrial uses, office uses, and necessary supporting accessory uses and facilities designed with a park-like atmosphere.”³⁷ The 27.98 acre Leesburg Commercial parcel contains two zoning classifications—17.95 acres is zoned PD-IP, and the remaining 10.03 acres is zoned “Planned Development-Commercial Center” (“PD-CC-SC”). The County defines PD-CC-SC as “small regional centers consisting of individual large and small scale commercial uses selling a broad range of goods or services to a market beyond the local community,” having a minimum of 20 acres, maximum of 60 acres in size.³⁸ Leesburg Commercial has applied to rezone the 10.03 acres to PD-IP, which would allow by-right use as a data center.³⁹ The remaining three parcels are zoned PD-CC-SC.

³⁷ Loudoun County Zoning Ordinance § 4-501.

³⁸ Loudoun County Zoning Ordinance § 4-202(C).

³⁹ See Loudoun County Application Number: ZMAP-2021-0012.

Sources: John Bachmann, Stantec
Richard Klusek, Leesburg Department of Planning and Zoning

Section VIII: Statistical Profile

A) Area in Square Miles

| | |
|--------------------------------------|----------------|
| 1. Town of Leesburg (8,096.41 acres) | 12.65 sq. mi. |
| 2. Loudoun County | |
| a. Including Towns | 515.56 sq. mi. |
| b. Unincorporated | 497.34 sq. mi. |
| 3. Annexation Area (402.8317 acres) | 0.63 sq. mi. |

B) Population

| | |
|-------------------------------------|---------|
| 1. Town of Leesburg | |
| 1980 (U.S. Census) | 8,357 |
| 1990 (U.S. Census) | 16,202 |
| 2000 (U.S. Census) | 28,311 |
| 2010 (U.S. Census) | 42,616 |
| 2020 (U.S. Census) | 48,250 |
| 2021 (U.S. Census Estimate) | 48,908 |
| 2. Loudoun County (including Towns) | |
| 1980 (U.S. Census) | 57,427 |
| 1990 (U.S. Census) | 86,129 |
| 2000 (U.S. Census) | 169,599 |
| 2010 (U.S. Census) | 312,311 |
| 2020 (U.S. Census) | 420,959 |
| 2021 (U.S. Census Estimate) | 427,592 |
| 3. Annexation Area | |
| 1980 (U.S. Census) | 0 |
| 1990 (U.S. Census) | 0 |
| 2000 (U.S. Census) | 0 |
| 2010 (U.S. Census) | 0 |
| 2020 (U.S. Census) | 0 |
| 2021 (U.S. Census Estimate) | 0 |

C) Population Density Per Square Mile (2021)

| | |
|-------------------------------------|-------|
| 1. Town of Leesburg | 3,947 |
| 2. Loudoun County (including Towns) | 829 |
| 3. Annexation Area | 0 |

D) School Age Population⁴⁰

| | |
|---------------------|---------|
| 1. Town of Leesburg | 12,718 |
| 2. Loudoun County | 100,771 |
| 3. Annexation Area | 0 |

E) School Average Daily Membership (2020-2021)⁴¹

| | |
|---------------------|--------|
| 1. Town of Leesburg | N/A |
| 2. Loudoun County | 81,326 |

F) Total Per Pupil Expenditure for Loudoun County (2020-2021)⁴² \$15,214

G) Households

| | |
|---------------------|---------|
| 1. Town of Leesburg | 18,093 |
| 2. Loudoun County | 132,565 |
| 3. Annexation Area | 0 |

⁴⁰ Demographics Research Group, School-Age Population Estimates, <https://demographics.coopercenter.org/school-age-population-estimates/?q=demographics/school-age-population-estimates>

⁴¹ Virginia Department of Education, School Quality Profiles, Loudoun County Public Schools, <https://schoolquality.virginia.gov/divisions/loudoun-county-public-schools#desktopTabs-3>

⁴² Loudoun County Public Schools, Fiscal Year 2021 Adopted Budget, at 23, <https://www.lcps.org/cms/lib/VA01000195/Centricity/Domain/64/FY21%20Budget/08-20-20%20FY21%20Adopted%20Budget/FY21%20Adopted%20Book%20Web%20Version.pdf>

H) Lane Miles of Primary and Secondary Roadway

1. Town of Leesburg

| | |
|---------------------|--------|
| a. Town-maintained | 268.61 |
| b. State-maintained | 23.04 |
| c. Total Lane Miles | 291.65 |

2. Loudoun County

| | |
|---------------------|----------|
| a. State-maintained | 3,340.56 |
|---------------------|----------|

3. Annexation Area

| | |
|-------------------------|-----|
| a. State-maintained | 2.4 |
| b. Privately maintained | 0.3 |
| c. Total Lane Miles | 2.7 |

Section IX: Financial Data

Pursuant to 1 Va. Admin. Code § 50-20-540(6-9), Leesburg provides the following assessed property value, tax rate, and local revenue collection data and other evidence that is relevant to the proposed annexation.

A. Revenue Collections

| Table 5: Summary of Town Revenues | | | |
|--|---------------|-----------------------|---------------|
| Fiscal Year | Local Revenue | Intergovernmental Aid | Total Revenue |
| 2010 | \$38,523,053 | \$9,170,344 | \$47,693,397 |
| 2011 | \$37,521,723 | \$8,715,734 | \$46,237,457 |
| 2012 | \$37,202,347 | \$12,354,864 | \$49,557,211 |
| 2013 | \$40,648,198 | \$17,460,860 | \$58,109,058 |
| 2014 | \$42,417,567 | \$12,815,853 | \$55,233,420 |
| 2015 | \$41,832,002 | \$12,249,130 | \$54,081,132 |
| 2016 | \$43,223,666 | \$15,380,716 | \$58,604,382 |
| 2017 | \$40,675,622 | \$24,919,385 | \$65,595,007 |
| 2018 | \$44,304,061 | \$32,456,282 | \$76,760,343 |
| 2019 | \$44,618,258 | \$23,620,180 | \$68,238,438 |
| 2020 | \$41,426,333 | \$27,976,350 | \$69,402,683 |
| 2021 | \$43,720,044 | \$29,035,495 | \$72,755,539 |

| Table 6: Summary of County Revenues | | | | |
|--|-----------------|-----------------------|-----------------------------|-----------------|
| Fiscal Year | Local Revenue | Intergovernmental Aid | Payment from Component Unit | Total Revenue |
| 2010 | \$981,035,779 | \$116,364,870 | \$0 | \$1,097,400,649 |
| 2011 | \$1,022,279,471 | \$109,388,972 | \$0 | \$1,131,668,443 |
| 2012 | \$1,066,242,817 | \$108,622,063 | \$0 | \$1,174,864,880 |
| 2013 | \$1,116,147,262 | \$104,211,241 | \$28,174,303 | \$1,220,358,503 |
| 2014 | \$1,191,972,942 | \$118,456,335 | \$0 | \$1,310,429,277 |
| 2015 | \$1,263,910,339 | \$111,621,822 | \$1,336,176 | \$1,375,532,161 |
| 2016 | \$1,352,562,008 | \$118,362,771 | \$0 | \$1,470,924,779 |
| 2017 | \$1,475,200,679 | \$134,828,028 | \$28,417,114 | \$1,610,028,707 |
| 2018 | \$1,565,792,640 | \$129,523,994 | \$21,253,042 | \$1,695,316,634 |
| 2019 | \$1,659,438,579 | \$131,031,557 | \$6,881,758 | \$1,790,470,136 |
| 2020 | \$1,767,843,132 | \$147,604,369 | \$12,537,377 | \$1,915,447,501 |
| 2021 | \$1,930,606,684 | \$213,071,892 | \$17,886,572 | \$2,143,678,576 |

Table 7: Town Local Revenue

| Fiscal Year | Real Property | Personal Property | Business and Professional License | Consumer Utility | Sales and Use Tax | Other | Total Local Revenue |
|-------------|---------------|-------------------|-----------------------------------|------------------|-------------------|--------------|---------------------|
| 2010 | \$10,557,560 | \$1,470,604 | \$2,708,180 | \$1,489,727 | \$3,326,332 | \$18,970,650 | \$38,523,053 |
| 2011 | \$10,580,666 | \$1,593,043 | \$2,880,044 | \$1,542,597 | \$3,672,760 | \$17,252,613 | \$37,521,723 |
| 2012 | \$10,823,585 | \$1,707,237 | \$2,860,659 | \$1,495,345 | \$4,418,067 | \$15,897,454 | \$37,202,347 |
| 2013 | \$11,261,634 | \$2,008,330 | \$3,072,266 | \$1,546,528 | \$4,695,048 | \$18,064,392 | \$40,648,198 |
| 2014 | \$11,527,870 | \$1,933,465 | \$3,292,385 | \$1,564,500 | \$4,827,853 | \$19,271,494 | \$42,417,567 |
| 2015 | \$11,512,316 | \$1,789,660 | \$3,326,739 | \$1,559,559 | \$5,021,455 | \$18,622,273 | \$41,832,002 |
| 2016 | \$12,164,395 | \$1,902,108 | \$3,152,175 | \$1,525,755 | \$5,247,114 | \$19,232,119 | \$43,223,666 |
| 2017 | \$12,504,302 | \$1,954,979 | \$3,482,857 | \$1,521,738 | \$5,275,413 | \$15,936,333 | \$40,675,622 |
| 2018 | \$13,562,348 | \$1,774,637 | \$3,620,884 | \$1,544,206 | \$5,841,127 | \$17,960,859 | \$44,304,061 |
| 2019 | \$14,131,617 | \$2,263,221 | \$3,727,985 | \$1,530,840 | \$5,939,892 | \$17,024,703 | \$44,618,258 |
| 2020 | \$14,636,754 | \$1,399,099 | \$3,793,027 | \$1,494,085 | \$5,175,671 | \$14,927,697 | \$41,426,333 |
| 2021 | \$15,515,700 | \$2,818,734 | \$4,031,292 | \$1,488,711 | \$5,540,382 | \$14,325,225 | \$43,720,044 |

Table 8: County Local Revenue

| Fiscal Year | Real Property | Personal Property | Machinery and Tools | Business and Professional License | Consumer Utility | Sales and Use Tax | Other | Total Local Revenue |
|-------------|---------------|-------------------|---------------------|-----------------------------------|------------------|-------------------|---------------|---------------------|
| 2010 | \$651,760,593 | \$91,382,900 | \$1,095,497 | \$23,076,923 | \$20,087,509 | \$49,729,614 | \$143,902,743 | \$981,035,779 |
| 2011 | \$663,226,629 | \$107,109,666 | \$1,099,851 | \$25,355,444 | \$20,236,914 | \$53,832,926 | \$151,418,041 | \$1,022,279,471 |
| 2012 | \$666,593,026 | \$120,157,801 | \$1,036,651 | \$25,995,888 | \$19,864,904 | \$58,365,310 | \$174,229,237 | \$1,066,242,817 |
| 2013 | \$672,593,092 | \$141,417,162 | \$974,946 | \$28,400,538 | \$21,504,030 | \$58,036,536 | \$193,220,958 | \$1,116,147,262 |
| 2014 | \$696,433,109 | \$171,779,583 | \$1,101,942 | \$29,209,497 | \$21,415,296 | \$54,667,986 | \$217,365,529 | \$1,191,972,942 |
| 2015 | \$730,906,813 | \$194,439,448 | \$1,182,264 | \$31,558,942 | \$22,548,783 | \$61,411,195 | \$221,862,894 | \$1,263,910,339 |
| 2016 | \$763,644,540 | \$236,216,594 | \$1,242,313 | \$31,785,671 | \$21,555,702 | \$68,976,067 | \$229,141,121 | \$1,352,562,008 |
| 2017 | \$797,045,007 | \$278,583,432 | \$1,627,470 | \$35,210,681 | \$21,807,354 | \$72,469,150 | \$268,457,585 | \$1,475,200,679 |
| 2018 | \$831,560,026 | \$332,760,858 | \$1,967,965 | \$36,760,291 | \$22,094,646 | \$74,095,287 | \$266,553,567 | \$1,565,792,640 |
| 2019 | \$846,491,162 | \$406,148,443 | \$2,336,432 | \$40,070,878 | \$22,173,117 | \$77,782,399 | \$264,436,148 | \$1,659,438,579 |
| 2020 | \$884,906,480 | \$482,851,634 | \$2,325,220 | \$43,405,100 | \$22,452,354 | \$80,478,625 | \$251,423,719 | \$1,767,843,132 |
| 2021 | \$921,428,762 | \$563,206,076 | \$2,107,824 | \$42,426,730 | \$21,939,876 | \$90,053,162 | \$289,444,254 | \$1,930,606,684 |

Notes: The Town does not collect machinery and tools and merchants' capital taxes, and the County does not collect merchants' capital tax.

Sources: Town of Leesburg Comprehensive Annual Financial Report, Years Ending in June 30, 2010 through 2021

Loudoun County Comprehensive Annual Financial Report, Years Ending in June 30, 2010 through 2021

B. Expenditures

Table 9: Town Expenditures, 2010 to present

| Fiscal Year | Legislative | Executive | Legal | Finance and Administrative | Public Safety | Public Works | Parks and Recreation | Library | Planning and Zoning | Plan Review | Capital Projects | Debt Service | Other | Total |
|-------------|-------------|-------------|-------------|----------------------------|---------------|--------------|----------------------|-----------|---------------------|-------------|------------------|--------------|-------------|--------------|
| 2010 | \$1,103,242 | \$3,395,350 | \$411,839 | \$2,360,863 | \$11,140,380 | \$11,456,058 | \$7,418,434 | \$457,606 | \$1,720,029 | \$1,679,684 | \$8,458,203 | \$5,413,044 | \$0 | \$55,014,732 |
| 2011 | \$919,953 | \$3,431,910 | \$401,794 | \$2,252,013 | \$10,883,307 | \$11,385,261 | \$7,321,436 | \$449,682 | \$1,938,591 | \$1,566,111 | \$11,072,955 | \$5,710,435 | \$0 | \$57,333,448 |
| 2012 | \$960,836 | \$3,127,240 | \$412,454 | \$2,073,242 | \$11,262,769 | \$11,590,650 | \$6,916,341 | \$454,610 | \$1,382,400 | \$1,248,341 | \$9,673,741 | \$10,728,869 | \$2,444 | \$59,831,493 |
| 2013 | \$949,680 | \$3,345,634 | \$517,214 | \$2,196,207 | \$12,551,566 | \$11,851,505 | \$7,462,632 | \$440,057 | \$1,489,006 | \$1,295,785 | \$15,175,508 | \$5,724,783 | \$706,939 | \$62,999,577 |
| 2014 | \$1,645,525 | \$4,065,619 | \$470,940 | \$1,985,483 | \$12,507,687 | \$11,494,248 | \$7,833,710 | \$457,866 | \$1,562,694 | \$1,384,016 | \$12,144,131 | \$4,411,059 | \$688,604 | \$59,962,978 |
| 2015 | \$395,084 | \$1,919,530 | \$854,433 | \$4,459,503 | \$13,488,315 | \$11,332,942 | \$8,060,847 | \$459,214 | \$1,591,679 | \$1,314,564 | \$8,317,589 | \$5,830,190 | \$660,000 | \$58,023,890 |
| 2016 | \$249,418 | \$2,251,468 | \$738,157 | \$4,921,814 | \$13,242,169 | \$12,878,286 | \$7,845,039 | \$488,583 | \$1,663,251 | \$1,388,654 | \$8,880,704 | \$5,502,383 | \$716,544 | \$60,049,926 |
| 2017 | \$247,809 | \$1,887,672 | \$761,453 | \$4,795,874 | \$12,467,978 | \$14,391,996 | \$7,640,573 | \$490,644 | \$1,650,178 | \$1,333,740 | \$10,341,003 | \$8,250,841 | \$771,312 | \$64,259,761 |
| 2018 | \$280,712 | \$1,689,964 | \$835,408 | \$5,417,654 | \$13,325,521 | \$14,173,810 | \$7,627,827 | \$505,607 | \$2,021,595 | \$1,334,333 | \$15,936,356 | \$7,961,952 | \$743,773 | \$71,110,739 |
| 2019 | \$255,452 | \$1,886,653 | \$1,449,337 | \$5,540,062 | \$14,069,073 | \$14,360,321 | \$7,701,535 | \$536,704 | \$1,881,100 | \$1,464,977 | \$13,470,015 | \$8,066,276 | \$750,389 | \$70,681,505 |
| 2020 | \$280,031 | \$2,368,301 | \$1,283,155 | \$5,806,893 | \$13,813,223 | \$14,455,259 | \$6,597,044 | \$500,019 | \$2,128,753 | \$1,426,408 | \$18,205,678 | \$8,685,955 | \$789,588 | \$75,550,719 |
| 2021 | \$266,202 | \$3,087,773 | \$1,073,543 | \$6,158,087 | \$13,243,794 | \$14,255,891 | \$5,939,831 | \$465,980 | \$1,942,018 | \$1,490,510 | \$9,427,928 | \$4,858,767 | \$6,222,532 | \$62,210,324 |

Table 10: County Expenditures, 2010 to present

| Fiscal Year | Administration | Judiciary | Public Safety | Public Works | Health and Welfare | Parks and Recreation | Community Development | Education | Capital Outlay | Debt Service | Total |
|-------------|----------------|--------------|---------------|--------------|--------------------|----------------------|-----------------------|-----------------|----------------|---------------|-----------------|
| 2010 | \$58,971,603 | \$12,010,979 | \$134,915,733 | \$65,313,594 | \$83,739,002 | \$42,229,577 | \$40,414,055 | \$558,233,336 | \$58,053,186 | \$127,224,409 | \$1,181,105,474 |
| 2011 | \$57,425,608 | \$11,906,191 | \$139,766,826 | \$47,410,592 | \$81,217,371 | \$42,865,541 | \$37,561,438 | \$523,831,880 | \$50,947,973 | \$154,430,283 | \$1,147,363,703 |
| 2012 | \$68,187,026 | \$12,438,251 | \$146,717,960 | \$46,330,697 | \$80,280,556 | \$42,601,230 | \$45,934,636 | \$528,356,150 | \$35,427,284 | \$170,779,698 | \$1,177,053,488 |
| 2013 | \$59,857,783 | \$12,634,767 | \$151,361,628 | \$48,249,790 | \$79,541,256 | \$45,351,862 | \$48,960,308 | \$694,497,052 | \$64,776,387 | \$144,726,879 | \$1,349,957,712 |
| 2014 | \$71,290,404 | \$12,393,266 | \$156,508,109 | \$81,737,077 | \$80,335,173 | \$47,051,221 | \$53,813,487 | \$702,281,760 | \$32,545,249 | \$143,039,372 | \$1,380,995,118 |
| 2015 | \$73,713,453 | \$12,991,779 | \$167,742,292 | \$34,636,706 | \$84,716,353 | \$51,768,132 | \$114,009,274 | \$754,055,349 | \$30,975,698 | \$157,171,345 | \$1,481,780,381 |
| 2016 | \$75,818,203 | \$14,218,844 | \$173,299,516 | \$35,498,009 | \$88,519,474 | \$54,094,185 | \$173,225,017 | \$755,004,406 | \$83,531,166 | \$170,534,604 | \$1,623,743,424 |
| 2017 | \$92,085,756 | \$14,504,305 | \$183,158,722 | \$38,888,809 | \$91,856,980 | \$58,537,526 | \$193,719,087 | \$833,513,916 | \$69,538,716 | \$165,787,720 | \$1,741,591,537 |
| 2018 | \$95,154,924 | \$14,894,819 | \$192,189,776 | \$44,746,346 | \$96,230,920 | \$57,121,531 | \$223,710,725 | \$947,494,077 | \$79,802,989 | \$169,403,624 | \$1,920,749,731 |
| 2019 | \$114,907,985 | \$16,230,700 | \$203,845,828 | \$46,600,826 | \$103,303,144 | \$72,156,643 | \$164,586,419 | \$1,001,725,169 | \$82,625,436 | \$184,252,622 | \$1,990,234,772 |
| 2020 | \$133,416,586 | \$17,219,393 | \$218,890,576 | \$59,150,512 | \$112,655,778 | \$79,674,769 | \$165,917,980 | \$1,058,765,309 | \$108,666,425 | \$404,497,363 | \$2,358,854,691 |
| 2021 | \$145,953,675 | \$19,036,057 | \$240,952,929 | \$60,330,821 | \$119,215,640 | \$79,006,197 | \$170,098,568 | \$1,122,391,854 | \$134,050,749 | \$317,279,368 | \$2,408,315,858 |

Sources: Town of Leesburg Comprehensive Annual Financial Report, Years Ending in June 30, 2010 through 2021
Loudoun County Comprehensive Annual Financial Report, Years Ending in June 30, 2010 through 2021

C. **General Fund Balance**

| Table 11: Town and County's General Fund Balance | | | | |
|---|----------------------|--------------------------|----------------------|--------------------------|
| Fiscal Year | Town | | County | |
| | General Fund Balance | Increase over Prior year | General Fund Balance | Increase over Prior year |
| 2010 | \$21,456,672 | \$5,679,497 | \$187,087,498 | \$26,194,487 |
| 2011 | \$22,438,541 | \$981,869 | \$196,260,757 | \$9,173,259 |
| 2012 | \$17,149,544 | (\$5,288,997) | \$202,046,786 | \$5,947,798 |
| 2013 | \$18,170,111 | \$1,020,567 | \$219,651,174 | \$17,604,388 |
| 2014 | \$20,835,286 | \$2,665,175 | \$222,870,506 | \$3,219,332 |
| 2015 | \$22,781,149 | \$1,945,863 | \$292,336,927 | \$69,466,421 |
| 2016 | \$25,704,617 | \$2,923,468 | \$286,330,668 | (\$25,048,996) |
| 2017 | \$28,115,835 | \$2,411,218 | \$337,659,593 | \$51,328,925 |
| 2018 | \$29,498,536 | \$1,382,701 | \$361,269,101 | \$23,609,508 |
| 2019 | \$26,468,342 | (\$3,030,194) | \$376,484,692 | \$15,215,591 |
| 2020 | \$26,435,920 | (\$32,422) | \$365,759,879 | (\$10,724,813) |
| 2021 | \$39,354,972 | \$12,919,052 | \$415,355,314 | \$49,595,435 |

Sources: Town of Leesburg Comprehensive Annual Financial Report, Years Ending in June 30, 2010 through 2021

Loudoun County Comprehensive Annual Financial Report, Years Ending in June 30, 2010 through 2021

D. Assessed Property Values

| Table 12: Assessed Value of Property in the Town, 2010 to present | | | | | |
|--|-----------------|-------------------|----------------------------|-------------------|-----------------|
| Tax Year | Real Property | Personal Property | Public Service Corporation | | Total |
| | | | Real Property | Personal Property | |
| 2010 | \$5,557,189,300 | \$425,625,374 | \$106,373,774 | \$1,762,446 | \$6,090,950,894 |
| 2011 | \$5,675,717,100 | \$498,450,685 | \$108,083,816 | \$1,613,618 | \$6,283,865,219 |
| 2012 | \$5,802,517,900 | \$528,113,712 | \$108,553,642 | \$891,242 | \$6,440,076,496 |
| 2013 | \$6,085,462,040 | \$481,548,404 | \$105,809,512 | \$737,446 | \$6,673,557,402 |
| 2014 | \$6,438,888,020 | \$447,867,148 | \$111,057,100 | \$695,117 | \$6,998,507,385 |
| 2015 | \$6,643,105,870 | \$388,770,026 | \$108,441,453 | \$653,035 | \$7,140,970,384 |
| 2016 | \$6,718,865,180 | \$428,519,647 | \$117,080,280 | \$549,045 | \$7,265,014,152 |
| 2017 | \$7,081,200,240 | \$412,219,300 | \$116,315,393 | \$426,223 | \$7,610,161,156 |
| 2018 | \$7,529,930,110 | \$385,548,796 | \$117,980,215 | \$514,888 | \$8,033,974,009 |
| 2019 | \$7,889,996,600 | \$409,437,516 | \$120,153,718 | \$549,604 | \$8,420,137,438 |
| 2020 | \$8,316,479,500 | \$409,404,929 | \$133,146,343 | \$217,917 | \$8,859,248,689 |
| 2021 | \$8,766,130,579 | \$417,083,220 | \$142,329,848 | \$183,069 | \$9,325,726,716 |

| Table 13: Assessed Value of Property in the County, 2010 to present | | | | | | | |
|--|------------------|------------------|-----------------|-------------------|------------------|--------------------------------|-------------------|
| Tax Year | Real Property | | | Personal Property | | Less: Tax Exempt Real Property | Total |
| | Residential | Commercial | Agricultural | Motor Vehicles | Other | | |
| 2010 | 39,017,317,800 | \$17,059,031,027 | \$3,195,328,500 | \$2,235,611,828 | \$1,962,529,466 | \$4,830,803,300 | \$58,639,015,321 |
| 2011 | \$40,803,550,100 | \$16,925,004,000 | \$3,074,079,800 | \$2,374,460,302 | \$2,079,399,563 | \$4,975,969,800 | \$60,280,523,965 |
| 2012 | \$42,339,146,700 | \$17,195,936,300 | \$2,968,638,600 | \$2,587,376,111 | \$2,121,835,958 | \$5,148,056,700 | \$62,064,876,969 |
| 2013 | \$44,774,937,934 | \$17,688,305,039 | \$2,862,747,040 | \$2,728,476,540 | \$2,617,701,019 | \$5,289,844,810 | \$65,382,322,762 |
| 2014 | \$49,375,732,710 | \$18,798,029,977 | \$2,982,086,580 | \$2,875,108,689 | \$2,598,818,757 | \$5,433,975,660 | \$71,195,801,053 |
| 2015 | \$52,975,768,941 | \$20,323,832,864 | \$2,940,245,016 | \$3,033,345,780 | \$3,326,341,970 | \$6,012,249,930 | \$76,587,284,641 |
| 2016 | \$54,917,990,742 | \$21,568,714,666 | \$2,995,288,600 | \$3,278,370,552 | \$3,998,584,450 | \$6,257,253,650 | \$80,501,695,360 |
| 2017 | \$58,148,493,590 | \$23,366,400,909 | \$2,803,499,312 | \$3,388,052,579 | \$4,929,481,053 | \$6,632,399,610 | \$86,003,527,833 |
| 2018 | \$61,936,669,110 | \$25,119,655,647 | \$2,726,561,540 | \$3,556,701,543 | \$6,535,465,563 | \$6,768,969,400 | \$93,106,084,003 |
| 2019 | \$66,114,768,110 | \$27,421,211,797 | \$2,655,783,620 | \$3,788,924,757 | \$8,354,607,836 | \$7,211,216,910 | \$101,124,079,210 |
| 2020 | \$70,046,842,520 | \$30,147,886,325 | \$2,533,941,680 | \$3,919,437,324 | \$9,711,240,906 | \$7,507,472,430 | \$108,851,876,325 |
| 2021 | \$75,069,877,480 | \$29,398,497,189 | \$2,614,587,710 | \$4,232,596,237 | \$11,906,839,326 | \$7,571,397,150 | \$115,651,000,792 |

Sources: Town of Leesburg Comprehensive Annual Financial Report, Years Ending in June 30, 2010 through 2013 (Table 7);

Town of Leesburg Comprehensive Annual Financial Report, Years Ending in June 30, 2014 through 2021 (Table 8)

Loudoun County Comprehensive Annual Financial Report, Years Ending in June 30, 2010 through 2021 (Table F)

E. Ratio of Assessed to True Property Values

| Table 14: Ratio of Assessed to True Value of Property in the Count, 2010 to present | |
|--|---------------------|
| Tax Year | Median Ratio |
| 2010 | 90.95% |
| 2011 | 89.48% |
| 2012 | 91.66% |
| 2013 | 91.36% |
| 2014 | 91.37% |
| 2015 | 93.04% |
| 2016 | 94.79% |
| 2017 | 91.62% |
| 2018 | 88.52% |
| 2019 | 92.57% |
| 2020 | 93.54% |

Notes: The assessment ratio is the same for the Town and the County because the County performs property tax assessments for the Town.

Sources: Virginia Department of Taxation, The Virginia Assessment/Sales Ratio Study for Tax Years 2010 through 2020

F. Tax Rates

| Table 15: Historical Tax Rates in Town and County | | | | | | |
|--|---------------|-------------------|---------------|-------------------|---------------|-------------------|
| Tax Year | Town Only | | County Only | | Combined | |
| | Real Property | Personal Property | Real Property | Personal Property | Real Property | Personal Property |
| 2010 | \$0.195 | \$1.00 | \$1.300 | \$4.20 | \$1.495 | \$5.20 |
| 2011 | \$0.195 | \$1.00 | \$1.285 | \$4.20 | \$1.480 | \$5.20 |
| 2012 | \$0.195 | \$1.00 | \$1.235 | \$4.20 | \$1.430 | \$5.20 |
| 2013 | \$0.192 | \$1.00 | \$1.205 | \$4.20 | \$1.397 | \$5.20 |
| 2014 | \$0.183 | \$1.00 | \$1.155 | \$4.20 | \$1.338 | \$5.20 |
| 2015 | \$0.183 | \$1.00 | \$1.135 | \$4.20 | \$1.318 | \$5.20 |
| 2016 | \$0.186 | \$1.00 | \$1.145 | \$4.20 | \$1.331 | \$5.20 |
| 2017 | \$0.184 | \$1.00 | \$1.125 | \$4.20 | \$1.309 | \$5.20 |
| 2018 | \$0.184 | \$1.00 | \$1.085 | \$4.20 | \$1.269 | \$5.20 |
| 2019 | \$0.184 | \$1.00 | \$1.045 | \$4.20 | \$1.229 | \$5.20 |
| 2020 | \$0.184 | \$1.00 | \$1.035 | \$4.20 | \$1.219 | \$5.20 |
| 2021 | \$0.184 | \$1.00 | \$0.980 | \$4.20 | \$1.164 | \$5.20 |
| 2022 | \$0.1774 | \$1.00 | \$0.890 | \$4.20 | \$1.067 | \$5.20 |

Notes: All tax rates are per \$100 of assessed value. Residents of the Town of Leesburg are subject to taxes levied by both the Town and the County.

Sources: Town of Leesburg Comprehensive Annual Financial Report, Years Ending in June 30, 2010 through 2021

Loudoun County Comprehensive Annual Financial Report, Years Ending in June 30, 2010 through 2021

Town of Leesburg 2022 Tax Rates, available at <https://www.leesburgva.gov/departments/finance/taxes-fees/tax-rates-and-fees>

Loudoun County 2022 Tax Rates, available at <https://www.loudoun.gov/1922/Property-Tax-Rates>

G. Town's Long-Term Indebtedness

The Town has approximately \$115,482,710 in outstanding long-term debt. This is comprised of outstanding governmental bonds and notes payable. A general description of this debt is set forth below.

2014 Series General Obligation Bonds.

The Town issued \$24.8 million in 2014 Series General Obligation and Refunding (“GO”) bonds, which were generally used to support the construction and general acquisition of capital improvements for general government, streets and highways, and Utility Fund infrastructure. This series of bonds comprises \$10.7 million in new bonds for general government and the Utilities Fund, as well as the refunding of approximately \$5 million in 2005 series general government bonds and \$9.01 million in 2006 Series Utility Fund bonds. The bonds are due in annual installments of \$85,000 to \$2.14 million through January 2044, plus interest at 2.00% to 5.00%. As of June 30, 2021, there were \$19.96 million outstanding of 2014 Series GO bonds.

2015 Series General Obligation Bonds

The Town issued \$46.98 million in 2015 Series GO bonds, which were generally used to support construction and acquisition of capital improvements for general government, parks and recreation, streets and highways, storm drainage, and airport improvements. This series of bonds comprises \$10.7 million in new bonds for general government, as well as the refunding of approximately \$4 million in 2006 series GO Public Improvement bonds and \$34 million in 2006B series GO Public Utility bonds. The bonds are due in annual installments of \$360,000 to \$3.77 million through January 2037, plus interest at 2.00% to 5.00%. As of June 30, 2021, there were \$38.48 million of outstanding 2015 Series GO bonds.

2016 VRA Bonds

The Town issued \$11,185,000 in 2016 Series VRA bonds, which were generally used to support construction and acquisition of capital improvements for general government, parks and recreation, streets and highways, storm drainage, and airport improvements. These bonds are due in annual installments of \$180,000 to \$1.08 million through November 2040, plus interest at 2.71% to 5.125%. As of June 30, 2021, there were \$11,185,000 outstanding of 2016B Series VRA bonds.

2019A General Obligation Bonds

The Town authorized the issuance of \$25.5 million of 2019 Series A GO bonds to be used as line of credit just-in-time financing instrument to support the general government portion of the Fiscal Year 2020-2025 Capital Improvements Program. These bonds are due June 13, 2024 with 2.561% interest due monthly. As of June 30, 2021, there were \$4.4 million of outstanding 2019 Series A GO bonds.

2019B General Obligation Bonds

The Town authorized the issuance of \$32.5 million of 2019 Series B GO bonds to be used as line of credit just-in-time financing instrument to support the Utility Fund portion of the Fiscal Year 2020-2025 Capital Improvements Program. These bonds are due June 13, 2024 with 2.561% interest due monthly. As of June 30, 2021, there were \$2.3 million outstanding of 2019 Series B GO bonds.

2019 Series Refunding Bonds.

The Town issued \$12.26 million of 2019 Series Refunding bonds. This series consisted of refunding all outstanding 2009 Build America Bonds, which had been used to support construction and acquisition of capital improvements for general government, parks and recreation, streets and highways, storm drainage, and Utility Fund improvements. The bonds are due in semi-annual

installments of \$271,000 to \$1.32 million through January 2039, plus interest at 2.25% to 5.00%. As of June 30, 2021, there were \$11.43 million of outstanding 2019 Series GO bonds.

2020 Series GO Bonds: \$13,250,000

The Town issued \$13.25 million of 2020 Series Refunding bonds. This series consisted of refunding the outstanding 2011 Series A bonds and restructuring portions of the 2011, 2014, 2015, and 2019 Series GO bonds, which had been used to support the Town's Capital Improvement Program, including general government, parks and recreation, streets and highways, storm drainage, and Utility Fund projects. The bonds are due in semi-annual installments of \$55,000 to \$3.02 million through June 2035, plus interest at 1.25% to 5.00%. All 2020 Series GO bonds were outstanding.

2021 Series GO Bonds: \$10,879,000

The Town issued \$10.88 million of 2021 Series GO bonds, which provided permanent financing for \$6.43 million of the 2019A line of credit, as well as \$4.45 million to fund airport capital projects. The bonds are due in semi-annual installments of \$442,000 to \$630,000 through January 2042, plus interest at 1.25% to 5.00%. All 2021 Series GO bonds were outstanding.

Notes Payable.

The Town has \$4,549,377 in notes payable from capital leases and direct borrowings for equipment, such as vehicles, mowers, tractors. These notes include the following:

- A) \$555,988 note for equipment financing. Payments are due in semi-annual installments of \$55,845, ending in January 2023, with interest at 2.11%. As of June 30, 2021, the outstanding balance on the note was \$229,300.

- B) \$1,253,561 note for equipment financing. Payments are due in semi-annual installments of \$134,965, ending in January 2024, with interest at 2.73%. As of June 30, 2021, the outstanding balance on the note was \$772,445.
- C) \$1,036,390 note for equipment financing. Payments are due in semi-annual installments of \$109,220, ending in January 2025, with interest at 1.93%. As of June 30, 2021, the outstanding balance on the note was \$229,300.
- D) \$960,597 note for equipment financing. Payments are due in semi-annual installments of \$99,068, ending in January 2026, with interest at 1.13%. As of June 30, 2021, the outstanding balance on the note was \$960,597.
- E) \$1,750,000 note for capital asset replacement. Payments are due in semi-annual installments of \$343,000 to \$359,000, ending in January 2026, with interest at 1.46%. As of June 30, 2021, the outstanding balance on the note was \$1,750,000.

Sources: Town of Leesburg Comprehensive Annual Financial Report, Year Ending in June 30, 2021

 Loudoun County Comprehensive Annual Financial Report, Years Ending in June 30, 2021

Section X: Urban Services

Pursuant to 1 Va. Admin. Code § 50-20-540(10), Leesburg provides the following data and other evidence concerning urban services relevant to the proposed annexation.

A. Overview.

The Town employs 399.5 full time equivalent employees, led by Town Manager Kaj Dentler. The Town's departments include Airport, Capital Projects/Public Works, Economic Development, Finance and Administration, Thomas Balch Library, Parks and Recreation, Plan Review, Planning and Zoning, Police, Town Attorney, and Utilities.

The Town has experienced, capable, and stable management. The Town provides a full range of high quality municipal services to its residents and property owners. The Town has the facilities, equipment, practices, policies, and personnel to provide these services to the Annexation Area.

B. Planning and Zoning.

The Town has an effective system in place to develop, administer, and enforce the planning, development, and use of land within its corporate limits. This regulatory system includes the Town Plan, the Zoning Ordinance, the Design and Construction Standards Manual, and the Subdivision and Land Development Regulations, as administered by the Department of Planning and Zoning, the Department of Plan Review, the Leesburg Planning Commission, and Town Council.

1. Overview of the Department of Planning and Zoning

The Town administers and enforces zoning matters through its Department of Planning and Zoning. This Department is led by Director of Planning and Zoning J. James Davis and includes twelve staff, including town planners, zoning administrators and analysts, zoning

inspectors, and project managers.⁴³ The Department of Planning and Zoning provides a full array of services to Town residences, including preparation of the Town Plan, administration and enforcement of the Leesburg Zoning Ordinance, and the processing of applications and permits. The Department is tasked with preservation of the Old and Historic District.⁴⁴ The Department also provides support to a variety of boards and commissions, including the Board of Architectural Review, the Board of Zoning Appeals, the Environmental Advisory Commission, the Planning Commission, and the Residential Traffic Commission.⁴⁵

2. Overview of the Department of Plan Review

The Town administers land use and development matters through its Department of Plan Review. This Department is led by Director William Ackman with the assistance of nine staff members, including engineers, planners, and project managers.⁴⁶ The Department handles all land development matters, including the review of site plans, subdivision plats, and boundary adjustments to ensure that all land development applications comply with the applicable regulations, including the Zoning Ordinance, the Design and Construction Standards Manual, and the Subdivision and Land Development Regulations. The Department also assists with the review of capital improvement projects.

⁴³Town of Leesburg, Department of Planning and Zoning, <https://www.leesburgva.gov/departments/planning-zoning/contact-planning-zoning>.

⁴⁴ Town of Leesburg, Historic Preservation, <https://www.leesburgva.gov/departments/planning-zoning/historic-preservation>

⁴⁵ Town of Leesburg, Boards & Commissions, <https://www.leesburgva.gov/departments/planning-zoning/boards-commissions>

⁴⁶ Town of Leesburg, Department of Plan Review, <https://www.leesburgva.gov/departments/plan-review/contact-plan-review>

3. Town Comprehensive Plan Documents.

On March 25, 2022, the Town adopted the current comprehensive plan, known as “Legacy Leesburg.”⁴⁷ This new plan represents nearly three years of planning, and involved extensive public comment as well as the input of Town staff and an independent consultant. Legacy Leesburg contains the Town’s goals for long-range development, as well as objectives for implementing those goals. The purpose of Legacy Leesburg is to provide guidance to Town Council, the Planning Commission, Town staff, as well as citizens, business owners, and landowners with respect to the Town’s plans for future development.

Leesburg has a long history of high quality comprehensive planning. The Town adopted comprehensive plan documents in 1986, 1997, 2005, 2012, and most recently in 2022. The Town has implemented these plans as an integral part of its land use review process and in other operations, including rezoning requests, transportation planning, and utilities planning, for many years.⁴⁸

4. Zoning Ordinance

The Town’s Zoning Ordinance was adopted in 2003. The Zoning Ordinance is detailed and has appropriate provisions for a large town in Northern Virginia. It addresses the Town’s land use, review, and enforcement procedures, including zoning districts; zoning overlay districts; use regulations; zoning map amendments; special exceptions/special use permits; temporary use permits; demolition permits; zoning permits; occupancy permits; certificates of appropriateness; architectural control; public project review; variances; and enforcement.

⁴⁷ Town Council Resolution No. 2022-036 (March 25, 2022).

⁴⁸ Leesburg Zoning Ordinance, Sec. 1.6.

The Zoning Ordinance establishes procedures for the evaluation of zoning and land use applications, such as zoning map amendments, special exceptions (special use permits), and other permits. The Zoning Ordinance provides that amendments to zoning district boundaries or the classification of land may be initiated by the Town Council, the Planning Commission, or by a property owner.⁴⁹ In the event of a property owner-initiated application, the applicant must meet with staff from the Department of Planning and Zoning to discuss the proposed rezoning and to provide a sketch plan of the proposal. Rezoning applications must contain an application, existing conditions plan, concept plan, statement of justification, traffic impact analysis, plat, any proffered conditions, fiscal impact analysis, as well as any applicable archeological/historical information.⁵⁰ Department Staff review the complete application for consistency with the Town Plan.⁵¹ Staff prepare a recommendation and provide the application and staff report to the Planning Commission.⁵² The Planning Commission conducts a public hearing on the application, and provides its recommendation to the Town Council along with a statement of its reasons for the recommendation.⁵³ The Town Council then holds a public hearing on the application, and issues a decision.⁵⁴

The Zoning Ordinance also provides for enforcement by the Town's Zoning Administrator, Michael Watkins, the Assistant Zoning Administrator, Mike Ruddy, and their staff, including zoning analysts and a zoning inspector. The Town strives to work with its residents to manage issues involving zoning and land use violations. When such issues arise, the Department issues a

⁴⁹ See Leesburg Zoning Ordinance, Sec. 3.3.3.

⁵⁰ See Leesburg Zoning Ordinance, Sect. 3.3.6.

⁵¹ See Leesburg Zoning Ordinance, Sect. 3.3.8.

⁵² See Leesburg Zoning Ordinance, Sec. 3.3.10.

⁵³ *Id.*

⁵⁴ See Leesburg Zoning Ordinance, Section 3.3.12.

Violation Notice for buildings, structures, or uses of land that do not comply with the Zoning Ordinance.⁵⁵ A landowner may appeal this notice to the Board of Zoning Appeals. If the violation is not addressed, the matter is referred to the Town Attorney, who then issues a Final Notice of Violation. In the event the violation remains unaddressed, the Town proceeds with an action in General District Court to collect civil penalties and an order directing the landowner to abate the violation.⁵⁶

Since its enactment, the Town has made periodic amendments to the Zoning Ordinance, including periodic “batch” amendments.⁵⁷ Additionally, the Department has begun the process of rewriting the Zoning Ordinance to implement the 2022 Legacy Leesburg Town Plan.

5. Joint Planning and Zoning of Compass Creek

The Department of Planning and Zoning has been directly involved in the development of Compass Creek. The County refers each rezoning application in Compass Creek to the Town. The Department staff coordinates the review of the application by various Town departments, including Utilities, Plan Review, Public Works, Economic Development, and Planning and Zoning, and prepares a response to the County.⁵⁸ The Town’s response comments on the rezoning application, including its compliance with the Town Plan, Town utility infrastructure and service, and other Town services, roadway design and construction, and stormwater management.

This joint planning has succeeded. Compass Creek is being developed as a mix of commercial and industrial uses. The Town provides water and sewer services to Compass Creek.

⁵⁵ See Leesburg Zoning Ordinance, Sec. 17.1.2(C).

⁵⁶ See Leesburg Zoning Ordinance, Sec. 17.3.2(D).

⁵⁷ Town of Leesburg, Amendments to Leesburg Zoning Ordinance Following the February 25, 2003 Adoption, <https://www.leesburgva.gov/home/showpublisheddocument/4591/637920928604370000>

⁵⁸ See, e.g., April 11, 2013 Letter from Town Department of Planning and Zoning to Loudoun County Department of Planning (ZMAP-2012-0021).

Town streets—Compass Creek Parkway and Battlefield Parkway—provide the primary access to Compass Creek, and egress from Compass Creek requires use of Town streets. The Town has provided the standards for the design and construction of roads, curbs, gutters, sidewalks, storm drains, and street lighting in Compass Creek. The Town maintains most of Compass Creek Parkway. Upon annexation, the Town will provide full municipal services to the Annexation Area, including street maintenance, snow removal, and law enforcement services.

a. Initial Planning of Compass Creek.

Originally known as “Crosstrail,” Compass Creek was an undeveloped 490.8 acre tract of vacant land located in JLMA, Area 1A. The County Zoning Ordinance designated the property as being zoned JLMA20 and TR10; these zoning districts permitted only rural business and low density residential uses.⁵⁹

When the Leesburg JLMA was established in 1991, the County’s Comprehensive Plan provided that it would coordinate land use and zoning in this area with the Town.⁶⁰ The County’s 1993 Zoning Ordinance provided for the County to refer all zoning applications for properties in the JLMA to the Town for review and comment.⁶¹ Since that time, the Town and the County have participated in a robust joint planning and review process for proposed development in the JLMA, including the Compass Creek area.

In 2005, the landowner applied to rezone Compass Creek for a mixed-use development consisting of 1,380 residential housing units, as well as 2.4 million square feet of non-residential

⁵⁹ JLMA20 zoning permitted rural business and residential uses, limited to one developed unit per twenty acres. TR10 zoning was the lowest density residential use, requiring seventy percent open space and one dwelling per ten acres.

⁶⁰ Loudoun County 1991 General Plan, at 126 (Growth Strategy 1A).

⁶¹ Loudoun County 1993 Zoning Ordinance, Sec. 6-1204.

uses.⁶² As the property was located in the JLMA, the County referred the rezoning request to the Town for review.⁶³ The Town noted that the proposed rezoning was inconsistent with the 1997 Town Plan and other Town policies—nearly half of the proposed area would be used for residential housing, with substantial ancillary retail uses designed to support and serve the proposed residential area.⁶⁴ The Town reiterated the provisions of the 1997 Town Plan stating Compass Creek should be developed primarily for office and industrial uses. On July 12, 2005, the Town Council adopted a resolution recommending the County deny the rezoning application for these reasons.⁶⁵ The County denied the rezoning application on July 17, 2007.⁶⁶

The landowner filed a lawsuit challenging the denial of its rezoning application.⁶⁷ The Board of Supervisors then initiated the rezoning of Compass Creek by Resolution dated June 3, 2008.⁶⁸ Consistent with the Town Plan, the County-initiated application sought to rezone Compass Creek to Planned Development – Industrial Park (“PD-IP”), which would allow office and industrial uses. This Resolution stated:

WHEREAS, the Town of Leesburg is willing to provide central utilities to the [Compass Creek] property for appropriate commercial development and to negotiate an agreement to annex that property into its corporate limits.⁶⁹

⁶² See Loudoun County Application Number: ZMAP-2005-0011.

⁶³ *Id.*

⁶⁴ July 12, 2005 Letter from Town of Leesburg (ZMAP-2005-0011).

⁶⁵ Town Council Resolution No. 2005-113 (July 12, 2005).

⁶⁶ See Loudoun County Application Number: ZMAP-2005-0011.

⁶⁷ *Leesburg Commercial, L.C. v. Loudoun Cnty. Bd. of Supervisors*, Case No. CL00046581 (Aug. 15, 2007).

⁶⁸ Board of Supervisors Resolution, In Re: Initiation of Zoning Map Amendment for the Crosstrail Property (June 3, 2008)

⁶⁹ *Id.*

Thus, the County Board of Supervisors' Resolution expressly stated the expectation that the Town would provide water and sewer service to Compass Creek, and that the area would be annexed into the Town. The Town supported the proposed rezoning.⁷⁰ The County approved the rezoning of the Compass Creek property to PD-IP on October 21, 2008.⁷¹

At the same time, the Town was implementing provisions of the 2005 Town Plan, then in effect, to extend Battlefield Parkway near Compass Creek. These road improvements made the development of Compass Creek properties for commercial and industrial uses viable. Thus, the Town and the County have worked together to ensure that the development review and approval process resulted in land uses consistent with both the Town Plans and the County General Plans.

b. Compass Creek Commercial Area.

Following the 2008 rezoning of Compass Creek to PD-IP, in 2012, the landowner proposed to develop Compass Creek as a commercial center. The landowner, Leesburg Commercial, L.C., applied to rezone 58.2 acres of Compass Creek to Planned Development – Commercial Center – Small Regional Center (“PD-CC-SC”), to allow for a mix of office, hotel, retail, and flex-industrial uses.⁷² Upon referral from the County, the Town noted that Compass Creek “constitutes a major portion of the Leesburg Joint Land Management Area (JLMA) and it is situated in a key location between the Greenway and the Leesburg Executive Airport and just south of Battlefield Parkway. This is a gateway to the Town, and as such, the Town is keenly interested in the development plans for the property.”⁷³ The Town also noted that because Compass Creek was located in the JLMA

⁷⁰ July 8, 2008 Letter from Scott E. Parker, Assistant to the Town Manager (ZMAP-2008-0009).

⁷¹ See Loudoun County Application Number: ZMAP-2008-0009.

⁷² See Loudoun County Application Numbers: ZMAP-2012-0021; SPEX-2012-0047; SPEX-2012-0048; SPEX-2012-0049; ZMOD-2013-0002.

⁷³ July 11, 2013 Letter from Leesburg Mayor Umstattd (ZMAP-2012-0021).

and was subject to future annexation by the Town.⁷⁴ The County approved the rezoning of the 58.2 acre area on December 4, 2013.

In August 2014, the developer initiated the site plan review process for Phase I of the development, now renamed “Compass Creek Commercial Center.”⁷⁵ Construction of the ION Center, then partially located within the Town, was completed in 2018. The 189,000 square foot Walmart Supercenter (Store #1904-05) was built in 2019. Construction of the At Home furnishings store was completed in 2021. An additional commercial area, including restaurants and office buildings is currently under construction.

On November 26, 2019, the Town Council adopted amendments to the Zoning Ordinance that created two new zoning classifications, PD-CC-SC and PD-IP.⁷⁶ These district regulations mirror the PD-CC-SC and PD-IP district regulations under the County Zoning Ordinance.⁷⁷ Thus, existing zoning entitlements under the County Zoning Ordinance for each of the Compass Creek parcels would not change when each parcel was incorporated into the Town by boundary adjustment or annexation.

c. Compass Creek Data Centers.

Compass Creek is an ideal location for the development of data centers. This area has parcels of vacant land large enough to construct data centers, and the applicable land use regulations allow data center uses by right. Additionally, the requisite infrastructure—Town water

⁷⁴ April 11, 2013 Letter from Leesburg Department of Planning & Zoning, at 5 (ZMAP-2012-0021)..

⁷⁵ See Loudoun County Application Number: CPAP-2014-0034

⁷⁶ Leesburg Ordinance No. 2019-O-021.

⁷⁷ Leesburg Zoning Ordinance Sec. 8.7.1 (“The Planned Development-Commercial Center-Small Regional Center (PD-CC-SC) District is established to preserve and continue development rights granted by previous development approvals by Loudoun County.”); Leesburg Zoning Ordinance Sec. 8.8.1 (“The Planned Development-Industrial Park (PD-IP) District is established to preserve and continue development rights granted by previous development approvals by Loudoun County.”).

and sewer service, access through the Town street system, as well as adequate electrical power and telecommunications facilities—is available.

In September 2018, Microsoft purchased a 333.4992 acre parcel in the southern portion of Compass Creek for \$71 million.⁷⁸ Microsoft planned to develop this parcel as a data center campus. Phase I of the development consists of two data centers in the northern portion of the parcel.⁷⁹ Building 1 is 166,857 square feet under roof, and Building 2 is 106,767 square feet under roof. Phase II will consist of three data centers in the central southern portions of the parcel.⁸⁰ Buildings 3 and 4 will be 244,713 square feet and 230,918 square feet, respectively. The final building will be 282,050 square feet in size.⁸¹

In August 2021, Leesburg Commercial initiated the rezoning of a portion of its 27.98 acre parcel in Compass Creek. Approximately 10.03 acres of that parcel is zoned PD-CC-SC, and the landowner applied to rezone the property to PD-IP “to allow its development with data center and other PD-IP uses.”⁸² Upon referral, the Town Department of Planning and Zoning responded that this proposed use was consistent with the new 2022 Town Plan.⁸³ The rezoning application is pending before the County Board of Supervisors.

Leesburg Commercial has also applied to the Town for approval for out-of-Town water and sewer service for data centers on the property. This application states the intention to develop the property with a by-right data center of approximately 200,000 square feet.⁸⁴ Updated plans

⁷⁸ Loudoun County Deed No. 2018-09-20-0055237

⁷⁹ See Loudoun County Application Number: STPL-2019-0010 (Approved Planset).

⁸⁰ See Loudoun County Application Number: STPL-2020-0018 (Approved Planset).

⁸¹ See Loudoun County Application Number: STPL-2022-0002 (Approved Planset).

⁸² See Loudoun County Application Number: ZMAP-2021-0012 (Statement of Justification, dated August 10, 2021).

⁸³ November 19, 2021 Letter from Leesburg Department of Planning & Zoning (ZMAP-2021-0012).

⁸⁴ August 3, 2021 Letter from Peterson Companies to Leesburg Town Manager.

indicate two data centers will be constructed: Building 1 will be a 36 megawatt data center located on the southern portion of the property, and Building 2 will be a 72 megawatt data center located on the northern portion of the property.⁸⁵ This application is currently under review; however, the Town Council previously approved Compass Creek Phase 1 as an out-of-town customer, and this property is within the Compass Creek Phase 1 development area.⁸⁶

C. Town Utilities – Water and Sewer Service.

The Town provides water and sewer service to the Compass Creek, including the Annexation Area. This was the result of the longstanding plan for the development of Compass Creek.

1. Overview of the Department of Utilities.

The Town plans, develops, maintains, and provides water and sewer services through its Department of Utilities. The Department is led by Director of Utilities Amy Wyks and includes 100 staff, including engineers, inspectors, analysts, customer service, and other staff.⁸⁷ The Department consists of four operating divisions: Administration; Utility Maintenance; Water Supply; and Water Pollution Control. The Utility Administration Division provides administrative support to the Department's operations, including administration of state environmental compliance, review of site plans and land development applications for compliance with the Town's Design and Construction Standards Manual and state regulations, inspection of the Town's water distribution and sewer collection systems, and customer service for utility billing customers.⁸⁸ The Utility Maintenance Division performs all maintenance and repair of the Town's

⁸⁵ July 27, 2022 presentation concerning data centers on Leesburg Commercial parcel.

⁸⁶ Town Council Resolution No. 2015-072 (June 23, 2015).

⁸⁷ Town of Leesburg, Department of Utilities, <https://www.leesburgva.gov/departments/utilities-water-sewer/contact-utilities>

⁸⁸ Town of Leesburg Fiscal Year 2023 Budget, at 108.

water distribution and sanitary sewer lines.⁸⁹ The Water Supply Division operates the Town's Kenneth B. Rollins Water Treatment Plant, the Town's Paxton well, and related infrastructure, such as water storage tanks and water booster stations.⁹⁰ Additionally, the Water Supply Division operates a state-certified microbiology-testing laboratory.⁹¹ The Water Pollution Control Division operates the Town's Water Pollution Control Facility as well as pump stations located throughout the Town's sewer system. The Water Pollution Control Division also operates a state-certified laboratory to ensure effluent discharge complies with state and federal regulations.⁹²

The Department of Utilities has a long history of excellence and innovation in providing water and sewer services. In 2021, the Town received the Excellence in Waterworks, Operations/Performance Award from the Virginia Department of Health.⁹³ This was the 18th consecutive year the Town Department received this award.⁹⁴ This award recognizes that the Town's water treatment plant exceeds established regulatory standards for performance and filtration.

Additionally, the Town was awarded the Virginia Municipal League's President's Award for Entrepreneurial Government for its biosolids processing facility. In 2001, the Water Pollution Control Division opened a biosolids processing facility that converts stabilized solids into a dried, pelletized biosolids soil amendment product, used as fertilizer for lawns, trees, and shrubbery.⁹⁵

⁸⁹ *Id.*

⁹⁰ *Id.* at 109.

⁹¹ *Id.*

⁹² *Id.*

⁹³ Town of Leesburg, Water Quality Report 2021, at 2, *available at* <https://www.leesburgva.gov/home/showpublisheddocument/37664>

⁹⁴ *Id.*

⁹⁵ Town of Leesburg, Biosolids Product, <https://www.leesburgva.gov/departments/utilities-water-sewer/ongoing-utility-programs/biosolids-product-tlc>

This facility is fully permitted, and the end-product, known as “Tuscarora Landscaper’s Choice,” meets the relevant U.S. Environmental Protection Agency criteria and is of “Exceptional Quality,” as defined by the Virginia Department of Health. Bags of Tuscarora Landscaper’s Choice are free for Town residents, and are available for sale to commercial users.⁹⁶

2. Water Supply Division.

Leesburg operates a public water system to serve Town residents and certain areas outside Town limits. As of June 2022, the Town provides water service to approximately 16,679 customers, of which 3,252 customers (19%) are located outside the Town’s corporate limits. The Town draws 96% of its water from the Potomac River into the Kenneth B. Rollings Water Treatment Plant (“WTP”), located in the JLMA along Edwards Ferry Road, and the remaining 4% is drawn from the Paxton Well.⁹⁷

The Leesburg WTP production capacity has been systematically increased to serve the Town’s population growth. At the time the Leesburg Area Management Plan was prepared in 1982, the Town’s water treatment capacity was 1 million gallons per day, and the Town was constructing a new plant capable of an additional 2.5 million gallons per day.⁹⁸ The new WTP was expanded in 2002 to a capacity of 10 million gallons per day. In 2008, the Town further upgraded the Leesburg WTP to its current capacity of 12.884 million gallons per day.⁹⁹

⁹⁶ Town of Leesburg, Tuscarora Landscaper’s Choice Soil Amendment Product, <https://www.leesburgva.gov/home/showpublisheddocument/1048/635477178326200000>

⁹⁷ Town of Leesburg, Water Quality Report 2021, at 3.

⁹⁸ 1982 Leesburg Area Management Plan, at 111; *see also* 1986 Town Plan, at 41.

⁹⁹ Town of Leesburg, Department of Utilities, Water Supply Division, <https://www.leesburgva.gov/home/showpublisheddocument/33258/637206421992000000>

In 2021, the average daily water usage was approximately 4.28 million gallons per day.¹⁰⁰ The maximum day demand for 2021 was 6.15 million gallons per day. The WTP did not have any days where demand exceeded 80% of its rated capacity.

The WTP's remaining capacity is allocated to meet future demand from approved projects (approved, under construction, or by-right), projected projects (projected or known upcoming projects), and expected development within the JLMA. The Town serves, or has allocated capacity to serve, all of Compass Creek, as discussed further below.

The Town owns and operates a water distribution system including of approximately 237 miles of water lines. The water system infrastructure is shown in **Map 5**. The Town's water distribution system also extends into the JLMA, including 27,667 feet of water lines that serve all parcels in Compass Creek, including the Annexation Area.

3. Water Pollution Control Division.

The Town owns and operates its Water Pollution Control Facility ("WPCF"), which is located off of Russell Branch Parkway on the eastern edge of Town. Like the Town's water treatment system, the Town's WPCF has undergone a series of upgrades to meet the demands of Leesburg's growing population. In 2001, the Town completed a \$6.5 million nutrient removal upgrade to its facility. In 2001, the Town completed construction of a Biosolids Processing Facility that produces pelletized biosolids from wastewater sludge. This facility was the first of its kind in Virginia. In 2008, the WPCF was expanded again to its current capacity of 7.5 million gallons per day. This expansion was designed to allow future expansion to 10 million gallons per day.

¹⁰⁰ Amy Wyks, Director of Utilities.

In 2021, the WPCF handled an average daily flow of 3.87 million gallons per day.¹⁰¹ The Town's current permitted capacity is sufficient to serve all of Compass Creek, as well as the anticipated development in the JLMA.

The Town's sewer system includes approximately 186 miles of sewer lines. The system is primarily gravity fed, but includes ten pump stations and thirteen miles of force main. The sewer system serves all customers within the corporate limits and extends into the JLMA, including 14,256 feet of sewer lines that receive wastewater from Compass Creek, including the Annexation Area. The sewer system infrastructure is shown in **Map 6**.

The Town has an ongoing program for Town-wide waterline and sanitary sewer improvements and repairs.¹⁰² These programs undertake ongoing maintenance or replacement of old, deteriorated water and sewer lines. The Town has begun engineering studies for the Water Plant Master Plan and Conditions Assessment and the Water Pollution Control Facility Paster Plan and Conditions Assessment.¹⁰³

4. The Town provides water and sewer service to Compass Creek.

With the formation of the JLMA in 1991, the County's Comprehensive Plan stated that Leesburg would be the provider of water and sewer service for development within its JLMA.¹⁰⁴ The County's 2001 Plan provided that the "Towns will be the providers of public sewer and water in their town JLMAs."¹⁰⁵ The County encouraged the expansion of Town water and sewer systems

¹⁰¹ Amy Wyks, Director of Utilities.

¹⁰² Town Fiscal Year 2023 Capital Improvement Plan, at 240-43.

¹⁰³ *Id.* at 245, 251.

¹⁰⁴ 1991 County Plan, at 129.

¹⁰⁵ 2001 County Plan, at 204 (Public Utility Policy #1).

into the JLMA.¹⁰⁶ However, the County placed the responsibility on the Town to implement utility expansion—both the financing and physical construction.¹⁰⁷

a. The Town extended water and sewer infrastructure to serve Compass Creek.

Since 1987, the Town has constructed the infrastructure necessary to provide water and sewer service to the JLMA, including Compass Creek. This process has included a series of “*pro rata*” projects. The location of each of these projects is shown in **Map 4**. These *pro rata* projects have been developed in different ways. Generally, at the time the project is contracted, the Town identifies the properties that will benefit from the project, both existing uses and future development. As future development occurs, the developer pays a *pro rata* share of the cost of the water and/or sewer improvements serving the property. Using this funding mechanism, the Town can recover part of the cost of the water and sewer improvements that made the development of the benefited property possible.

The Town’s development of utility infrastructure serving the Compass Creek and the JLMA began in 1987 with the construction of a sixteen inch waterline and pump station along Sycolin Road (Route 643).¹⁰⁸ This project extended Town water infrastructure to the Town boundary with the JLMA.

In 2006, the Town began constructing an elevated water tank along Sycolin Road in order to increase the water system’s ability to serve the JLMA. Construction of the water tank was completed in 2010.¹⁰⁹

¹⁰⁶ *Id.* (Public Utility Policy #2).

¹⁰⁷ *Id.* (Public Utility Policy #5).

¹⁰⁸ Town Council Resolution 88-12 (Jan. 13, 1988).

¹⁰⁹ Town of Leesburg FY 2011 Adopted Budget, at 6-27.

At the same time, the Town began planning for the extension of Town sewer infrastructure into the JLMA, a project known as the “Lower Sycolin Creek Sanitary Sewer Conveyance System.”¹¹⁰ This project was divided into two construction phases.¹¹¹ Phase I involved the construction of a sewer pump station in the JLMA, south of Crosstrail Boulevard near the intersection with Kincaid Boulevard, as well as a gravity sewer main and sewer force main connecting the pump station to existing Town infrastructure. Phase II consisted of a gravity sewer extending south from Compass Creek, around Bolen Park, and north to the pump station.

By 2015, the Town completed construction of Phase I, as well as engineering for Phase II. The Town’s construction and engineering costs for this portion of the project were \$5,329,878.40.¹¹² The Town Council adopted a Resolution on March 24, 2015 identifying the properties that would benefit from the project, and establishing *pro rata* fees to be paid as the benefitted properties were developed.

On March 24, 2015, the Town entered into a contract with the Peterson Companies, L.C. (“Peterson”) for the construction of the Phase II Lower Sycolin Gravity Main.¹¹³ Under this Agreement, Peterson built the Phase II sewer improvements, and the Town reimbursed Peterson for \$4 million in project cost. The Town paid \$2,584,881 in four installments upon the completion of certain construction milestones. The Town paid the balance of the \$4 million out of *pro rata* fees paid by parcels in Compass Creek as they were developed and served by the sewer improvements.

¹¹⁰ Town Council Resolution No 2015-039 (March 24, 2015).

¹¹¹ *Id.*

¹¹² *Id.*

¹¹³ Agreement for the Construction of Phase II Lower Sycolin Gravity Main, dated March 24, 2015.

Construction of the Phase II sewer improvements was completed in 2017, and put into service as part of the Town sewer system.¹¹⁴ Upon completion, the Town has developed the utility infrastructure required to provide water and sewer service to Compass Creek.

b. Town provides water and sewer service to Compass Creek.

The Town has approved water and sewer service to Compass Creek—including the Annexation Area—through a series of five Town Council Resolutions:

- 1) Town Council’s June 23, 2015 Resolution approved the extension of Town water and sewer service to Compass Creek Commercial Center Phase I.¹¹⁵ This included The ION Center, the At Home parcel, as well as a commercial area in the northern portion of Compass Creek being developed for restaurants, office buildings, and a hotel.
- 2) Town Council’s September 22, 2015 Resolution approved the extension of Town water and sewer service to Walmart Store #1904-05.¹¹⁶
- 3) Town Council’s November 26, 2019 Resolution approved the extension of Town water and sewer service to a portion of the Microsoft parcel.¹¹⁷ This Resolution addressed Phase I of the Microsoft data center campus. Section 11 of this Resolution states the Town’s expectation that the Microsoft property will be incorporated into the Town boundaries by boundary adjustment or annexation.
- 4) Town Council’s May 26, 2020 and August 11, 2020 Resolutions approved the extension of Town water and sewer service to the remaining portion of the Microsoft

¹¹⁴ *Id.*; see also Town of Leesburg, Lower Sycolin Creek Sewage Conveyance System, <https://www.leesburgva.gov/departments/capital-projects/completed-projects/lower-sycolin-creek-sewage-conveyance-system>

¹¹⁵ Town Council Resolution No. 2015-072.

¹¹⁶ Town Council Resolution No. 2015-100.

¹¹⁷ Town Council Resolution No. 2019-180.

parcel, Phase II of the data center campus.¹¹⁸ Section 11 of these Resolutions also state the Town’s expectation that the Microsoft property will be incorporated into the Town boundaries by boundary adjustment or annexation.

The data centers on the Microsoft property require a substantial amount of water for its cooling systems. Microsoft has stated that it will require a limited number of days of water-intensive cooling operations per year. The Town anticipates that each data center will require in excess of 100,000 gallons of water per day. Once all five data centers are constructed, the Town estimates that Microsoft will require approximately 44 million gallons of water per year for cooling operations alone, in addition to typical administrative/office usage. Given this water-intensive use, the Town and Microsoft entered into the July 2020 Water and Wastewater Service Agreement that addresses Microsoft’s specific operational and other needs.

The planned data centers on the Leesburg Commercial property will use a different type of cooling technology—a water filled closed-loop cooling system. This technology will require a large, one-time use of water (approximately 264,000 gallons) and sewer (approximately 198,000 gallons) during construction, and only require standard, administrative/office usage thereafter.

D. Economic Development.

The Town is dedicated to establishing Leesburg as a premier business location and travel destination in Virginia. The Leesburg Department of Economic Development, led by Director Russell Seymour, works to create a favorable business climate in Leesburg that attracts investors and employers. The Department works closely with local community partners and outside agencies to ensure that the region’s business environment remains strong and competitive. Additionally, the

¹¹⁸ Town Council Resolution No. 2020-066; Town Council Resolution No. 2020-089.

Department serves as the point of contact for both existing and new businesses within the Town, providing business advocacy and ombudsman services among all Town departments.

The Department has two primary focuses: business attraction and retention, and tourism and downtown redevelopment efforts. The Department strives to attract businesses in industry segments that match both the employment and service needs and of local residents, while operating in conjunction with the existing business community. The Department has a well-established visitation program for existing business that is designed to keep the Town in close contact with the local business community. This allows the Town to remain aware of local business environment and understand what does and does not work in supporting the Leesburg business community. With respect to tourism and redevelopment, the Town focuses on opportunities to increase visitors to Leesburg by coordinating with community partners, including Visit Loudoun, the Historic Downtown Leesburg Association, the Commission on Public Art, Friends of Leesburg Public Art, and downtown business stakeholders.

E. Stormwater Management.

The Town has implemented a comprehensive stormwater management program that meets—and exceeds—its pollution control obligations under the federal Clean Water Act. The Town is a member of the Northern Virginia Clean Water Partners, a coalition of local government agencies working together to promote stormwater pollution prevention and environmental stewardship.

The Town operates a municipal separate storm sewer system (“MS4”) pursuant to a National Pollution Discharge Elimination System (“NPDES”) permit and General Virginia Pollutant Discharge Elimination System (“VPDES”) permit issued by the Virginia Department of Environmental Quality. Pursuant to the Town’s NPDES permit, the Town administers a Water

Quality and Stormwater Management Program, with the goal of this program is to protect the quality of the Town’s waterways. The program comprises six Minimum Control Measures:

- (1) public education and outreach on stormwater impacts;
- (2) public participation and involvement;
- (3) illicit discharge detection and elimination;
- (4) construction site stormwater runoff control;
- (5) post-construction stormwater runoff management; and
- (6) pollution prevention/good housekeeping for municipal operations.¹¹⁹

The Town publishes its design requirements of its stormwater management program in Article 5 of its Design and Construction Standards Manual (“DCSM”). Article 5 states the Town policy for the regulation of land disturbing activities, and sets forth the technical specifications of certain structural best management practices (“BMPs”), including gutters and closed conveyance systems, and ponds and swales.¹²⁰

Additionally, the Town has developed Operation and Maintenance Pollution Prevention Standard Operating Procedures governing its municipal operations.¹²¹ These procedures include annual street sweeping of all Town roadways following snowmelt, applying fertilizers in accordance with nutrient management plans, establishing designated vehicle washing stations, proper disposal of petroleum and other chemicals, as well as numerous other provisions.

The Town MS4 is subject to Total Maximum Daily Load (“TMDL”) Action Plans, which require the Town to reduce the amount of specific pollutants of concern in stormwater discharges

¹¹⁹ Town of Leesburg Municipal Separate Storm Sewer System (MS4) Program Plan (April 24, 2019), *available at* <https://www.leesburgva.gov/home/showpublisheddocument/31331/636920375798970000>

¹²⁰ *See generally* DCSM, Sec. 5-11, *et. seq.*, *available at* <https://www.leesburgva.gov/home/showpublisheddocument/14645/636238056615770000>

¹²¹ Town of Leesburg Municipal Separate Storm Sewer System (MS4) Program Plan, at Appendix F.

to the affected watersheds. The Town is responsible for two TMDLs: a portion of the Chesapeake Bay TMDL Action Plan; and the Goose Creek Benthic TMDL Action Plan.

The Chesapeake Bay TMDL Action Plan establishes a 40% target for the reduction of nitrogen, phosphorus, and suspended sediment in the Town’s stormwater discharges by 2023.¹²² The Towns implementation of BMPs has been effective, and, as of June 2021, the Town has achieved the 40% reduction target two years ahead of schedule, as shown in Table 16, below.

| Table 16: Town Implementation of Chesapeake Bay TMDL Action Plan | | | |
|---|--------------------------------------|---|-----------------------------------|
| Pollutant | 40% Reduction Target (lbs/yr) | Reduction, at end of Fiscal Year 2021 (lbs/yr) | Percent Reduction Achieved |
| Nitrogen | 1,913.01 | 2,396.44 | 50% |
| Phosphorus | 222.47 | 660.87 | 118% |
| Sediment | 184,772.28 | 304,956.77 | 66% |

The Goose Creek Benthic TMDL Action Plan establishes a targeted reduction in total suspended sediment of 800,000 pounds per year.¹²³ Again, the Town has successfully implemented this plan less than a year after the TMDL was established. As of June 2021, Town activities and BMP implementation have resulted in a total reduction of 802,818 pound per year of total suspended sediment discharged into the Goose Creek watershed.¹²⁴

F. Street Design.

The Town DCSM establishes the standards for the design and construction of public facilities within the Town limits.¹²⁵ Article 7 the DCSM sets forth detailed design requirements

¹²² Town of Leesburg MS4 Annual Report for Fiscal Year 2021, at 22.

¹²³ Town of Leesburg Goose Creek Benthic TMDL Action Plan, <https://www.leesburgva.gov/home/showpublisheddocument/33376/637223812794170000>

¹²⁴ Town of Leesburg MS4 Annual Report for Fiscal Year 2021, at 26.

¹²⁵ DCSM, Sec. 1-100, *available at* <https://www.leesburgva.gov/home/showpublisheddocument/14591/635520025852530000>

for Town streets, pavement, sidewalks and shared use paths, street lights, and parking.¹²⁶ All Town streets are constructed in accordance with the Virginia Department of Transportation geometric standards as modified by the DCSM.

The Department of Planning and Zoning, in collaboration with the Department of Public Works, reviews all land use and zoning applications for compliance with the DCSM—including applications for properties located within the JLMA. For example, Town staff specifically reviewed the various rezoning applications for properties in Compass Creek for compliance with the Article 7 (Transportation) of the Town DCSM.¹²⁷

G. Street Maintenance.

The Street Maintenance Division within the Department of Public Works and Capital Projects is responsible for the construction and maintenance of over 250 lane miles comprising the Town’s street and sidewalk system. Maintenance includes mowing of median strips, replacing/repaving streets and sidewalks, removal of trash, debris, and dead animals on public streets, repair of streetlights and street signs, and street sweeping.

The Transportation Division within the Department of Public Works and Capital Projects is responsible for other aspects of the Town’s transportation infrastructure, including the installation of traffic signals, pedestrian signs, and other roadway signage; the inspection of bridges and culverts; as well as undertaking engineering studies and field investigations related to transportation infrastructure.

¹²⁶ DCSM, Article 7, *available at* <https://www.leesburgva.gov/home/showpublisheddocument/14607/635520122524070000>

¹²⁷ *See, e.g.*, April 15, 2013 Letter from Town regarding ZMAP-2012-0021; July 11, 2013 Letter from Town regarding ZMAP-2012-0021.

With respect to Compass Creek, the Town maintains a portion of of Compass Creek Parkway, the primary street within the Annexation Area. Additionally, the Town maintains Battlefield Parkway, the primary access and the *only* exit from Compass Creek and the Annexation Area. Thus, the Town’s street system, and its maintenance, is necessary for access to the Annexation Area.

H. Snow Removal.

The Department of Public Works and Capital Projects is also responsible for clearing snow and ice from the Town’s street system. The Town clears roadways in terms of priority according to three tiers.¹²⁸ Priority 1 consists of the Town’s primary roadways—*i.e.*, the minimum network of roadways needed to provide police, fire, and rescue access. Priority 2 consists of all remaining public streets in the Town. Priority 3 are Town owned facilities and parking lots. While not yet within the Town’s corporate limits, the Town provides snow removal services to a portion of the Annexation Area along Compass Creek Parkway.¹²⁹

I. Crime prevention and detection.

1. Leesburg Police Department

The Town provides law enforcement services through the Leesburg Police Department (“LPD”), which is fully accredited by the Virginia Law Enforcement Professional Standards Commission (“VLEPSC”). LPD is led by the Chief of Police Gregory C. Brown, and has 90 sworn law enforcement personnel, including: the Chief; the Deputy Chief of Police, Vanessa Grigsby; two captains; six lieutenants; twelve sergeants; twelve detectives; 37 patrol officers; as well as 16

¹²⁸ Town of Leesburg, Snow Removal Operations, <https://www.leesburgva.gov/departments/public-works/snow-removal-operations>

¹²⁹ Town of Leesburg, Snow Removal Responsibilities Map, <https://tol-va.maps.arcgis.com/apps/Viewer/index.html?appid=a834e984acce4a5886118720e587c68b>

other police personnel.¹³⁰ LPD also has 18 non-sworn staff. LPD officers are fully equipped with modern equipment, including firearms, body armor, body worn cameras, police cruisers, K-9 units, bicycle patrol, an Emergency Response Team, speed measuring devices (radar and Lidar), an unmanned aircraft system, among other equipment.

LPD headquarters are centrally located, adjacent to downtown Leesburg in the Leesburg Public Safety Center, next to the Leesburg Volunteer Fire Company station. Given that the Town's population has doubled since LPD's headquarters were constructed in 1997, the Town is preparing to break ground in Spring 2023 on an expansion of LPD headquarters. This 21,000 square foot expansion will permit LPD to provide even more effective police protection to the growing Town population.

LPD's policies and procedures (termed "General Orders") are available on the LPD website.¹³¹ LPD's officers are available 24 hours a day, 7 days week. In order to provide continuous law enforcement coverage, LPD officers are divided into six patrol teams operating on a 12 hour shift rotation (two day shift; two evening shift; two night shift). The shifts are staggered to provide seamless coverage during shift changes, and an LPD officer does not go off duty until relieved from duty by an officer from the following shift.

The size and location of LPD's force enables it to provide superior coverage of the Town and its citizens. Given the size of the Town, LPD staffs over 7 sworn officers per square mile within the Town , as shown in Table 16, below. There is one LPD officer for every 536 Town citizens. This level of law enforcement presence allows LPD to respond rapidly to calls for service.

¹³⁰ Leesburg Police Department, Annual Report 2021, at 10, *available at* <https://www.leesburgva.gov/departments/police/office-of-the-chief/police-department-annual-reports>.

¹³¹ Leesburg Police Department, General Orders, *available at* <https://www.leesburgva.gov/departments/police/about-the-lpd>

Its average response time is 6:03 minutes for an emergency call, and 6:09 minutes for a non-emergency call.

| Table 17: Comparison of Law Enforcement | | |
|--|----------|---------|
| | Leesburg | Loudoun |
| Sworn Officers | 90 | 600 |
| Citizens per LEO | 536 | 702 |
| LEO per Sq. Mile | 7.26 | 1.16 |
| Emergency Response Time (Min.) | 6:03 | 12:03 |
| Non-Emergency Response Time (Min.) | 6:09 | 16:53 |

LPD is effective; the Town is experiencing a decrease in crime rates.¹³² In 2021, LPD responded to 26,881 calls for service, including 503 adult arrests; 18 juvenile arrests; and 3,568 traffic citations.¹³³ This represents an annual 3% decrease in Group A offenses (crimes against persons, property, and society) and a 22% decrease in group B offenses.

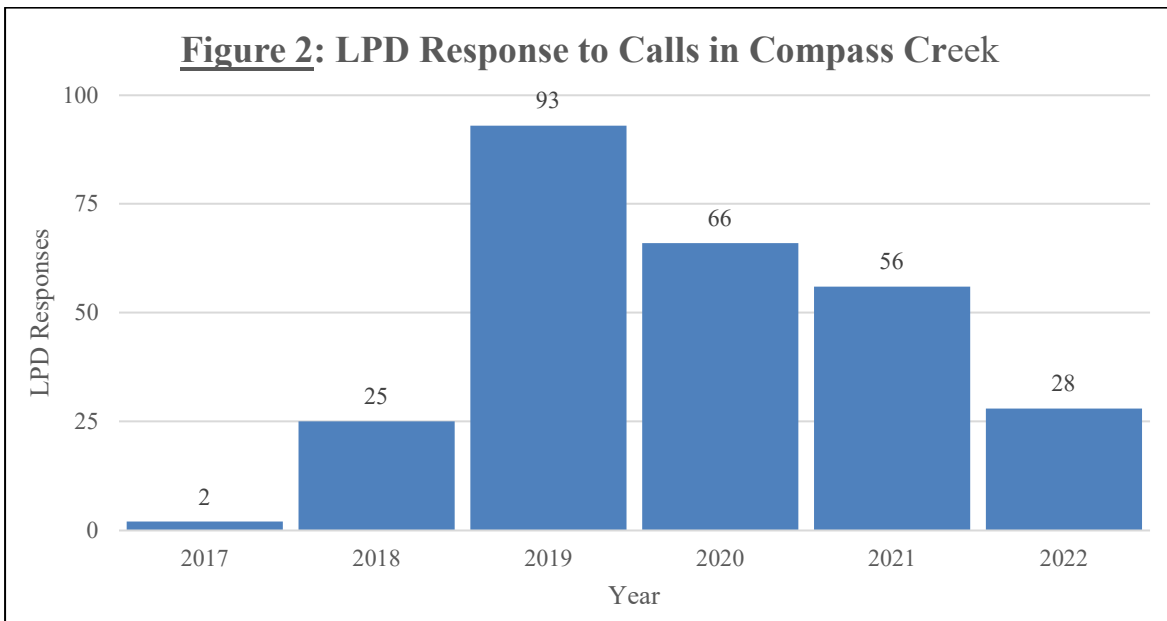
LPD’s jurisdiction is limited to the Town corporate limits. LPD also maintains law enforcement mutual aid agreements, pursuant to Virginia Code § 15.2-1736, with most local governments in Northern Virginia, including: Alexandria Police Department; Alexandria Sheriff’s Office; Arlington County Police; Arlington County Sheriff’s Office; Dumfries Police Department; Fairfax City Police Department; Fairfax County Police Department; Falls Church Police Department; George Mason University Police; Haymarket Police Department; Herndon Police Department; Loudoun County Sheriff’s Office; Manassas City Police Department; Manassas Park Police Department; Metropolitan Washington Airports Authority Police Department; Middleburg Police Department; NVCC Campus Police Department; Occoquan Police Department; Prince

¹³² Leesburg Police Department, Annual Report 2021, at 19.

¹³³ Town of Leesburg, Annual Comprehensive Financial Report for the Fiscal Year Ending June 30, 2021 (Table 20); Leesburg Police Department, Annual Report 2021, at 22.

William County Police Department; Purcellville Police Department; Vienna Police Department; and the Virginia State Police.

Pursuant to the Mutual Aid Agreement with Loudoun County Sheriff’s Department, LPD responds to and assists with calls in the Compass Creek, including the Annexation Area. Since 2017, LPD has responded to approximately 271 calls at Compass Creek, including 56 responses to calls at the ION Center.



Additionally, LPD and the Loudoun County Sheriff’s Department cooperate to provide school resources officers to the Loudoun County Public Schools within the Town’s corporate limits. LPD’s School Resource Unit consists of six school resources officers and a school resource sergeant.

2. Loudoun County Sheriff’s Department

Sheriff Michael L. Chapman leads the Loudoun County Sheriff’s Department (“LCSD”).¹³⁴ LCSD has approximately 600 sworn deputies and 200 non-sworn staff. LCSD

¹³⁴ Loudoun County Sheriff’s Office, Leadership, <https://www.loudoun.gov/4722/Leadership>

operates out of four stations at Ashburn, Dulles South Public Safety Center, Eastern Loudoun (Sterling), and Western Loudoun (Round Hill). LCSD's command structure and support staff are located in the Sheriff's Administration Building, located at 803 Sycolin Road SE. Given the size of the County, LCSD's responsive times are longer—12:03 minutes for emergency calls, and 16:53 minutes for non-emergency calls.¹³⁵

J. Fire prevention and detection.

Fire and emergency medical services are provided to both Town and County citizens through a system involving the Loudoun County Combined Fire & Rescue System ("LC-CFRS"). This system comprises a network of 26 fire and rescue companies spread across the County.¹³⁶

The Leesburg Volunteer Fire Company ("LVFC") is part of the LC-CFRS, and has over 150 members, comprising both career and volunteer staff.¹³⁷ LVFC operates two fire stations. LVFC Station 1 is located at 215 Loudoun Street Southwest, and LVFC Station 20 is located in Leesburg Public Safety Center, at 61 Plaza Street Northeast.¹³⁸

LVFC bears primary responsibility for calls to Compass Creek businesses.¹³⁹ LVFC Station 20 is closest to Compass Creek, at 2.3 miles from the ION Center, while County Station 13 is 2.8 miles away. This enables LVFC Station 20 to respond to situations in Compass Creek in approximately 6 minutes and 31 seconds (2 minutes for turnout time and 4 minutes 31 seconds of travel time). The County provides the primary funding for the LC-CFRS.

¹³⁵ Loudoun County Annual Comprehensive Financial Report year ended June 30, 2021, at Table Q.

¹³⁶ Loudoun County Combined Fire and Rescue System, Fire & Rescue Companies 7Stations, <https://www.loudoun.gov/1973/Fire-Rescue-Companies-Stations>.

¹³⁷ Leesburg Volunteer Fire Company, About Us, <https://www.leesburgfire.org/about-lvfc>.

¹³⁸ Leesburg Volunteer Fire Company, Contact Us, <https://www.leesburgfire.org/contactlvfc>

¹³⁹ April 9, 2013 Memorandum from LC-CFRS regarding response to Crosstrail Commercial Center.

K. Parks and Recreation.

The Leesburg Parks and Recreation Department manages over 300 acres in seventeen (17) parks: Brandon Park; Carrvale Park; Catoctin Park; Edwards Landing Park; Foxridge Park; Freedom Park; Georgetown Park; Greenway Park; Ida Lee Park; Mervin Jackson Park; Olde Izaak Walton Park; Potomac Crossing Park; Raflo Park; Robinson Park; Rotary Park; Tuscarora Creek Park; and Veterans Park at Ball Bluff.¹⁴⁰ Town parks are a significant source of open space available for use by Town and regional residents. Amenities include playgrounds, picnic areas, drinking fountains, restrooms, walking trails, fishing, a fenced, off-leash dog park, and sporting facilities, including basketball courts, baseball fields, football fields, soccer/lacrosse fields, and tennis courts. The Department is particularly proud of Ida Lee Park, which features a 71,000 square foot recreation center for indoor aquatic, fitness, and recreation uses, as well as an eleven-court tennis complex and outdoor pool. The Town annually provides a wide variety of recreation programs for Town residents. The National Recreation and Park Association has twice awarded the Department the National Gold Medal Award for excellence in long-range planning, resource management, fiscally sound business practice, and innovation in providing park and recreation services.¹⁴¹

L. Public Transportation.

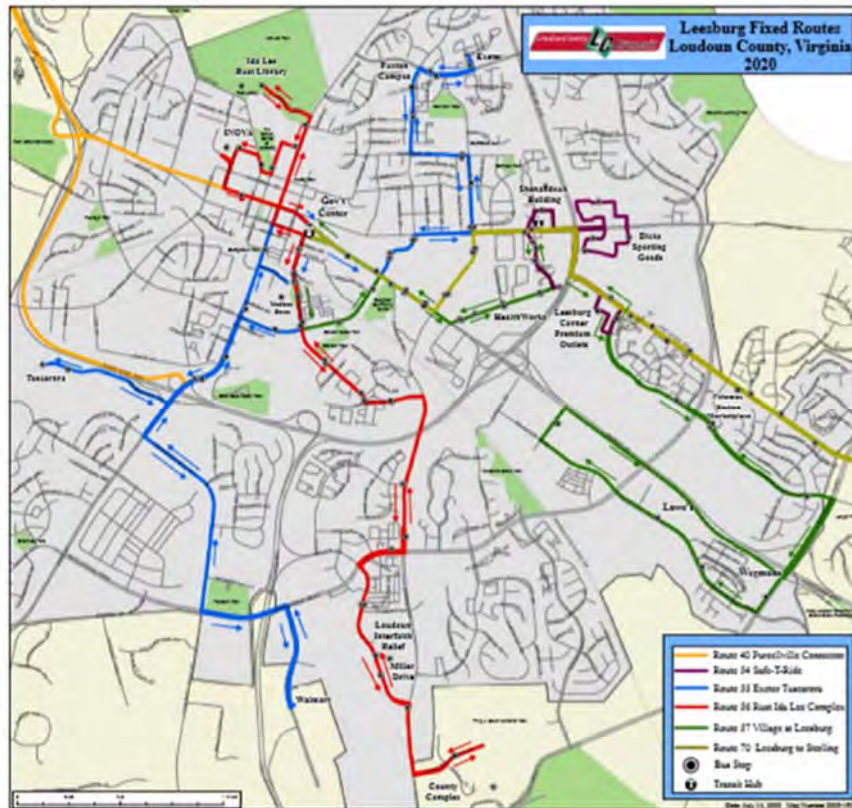
The Town and the County have entered into a Memorandum of Understanding, dated May 21, 2014, which provides that the County will provide public transportation via the Loudoun

¹⁴⁰ Town of Leesburg, Parkes & Recreation, Town Parks, <https://www.leesburgva.gov/departments/parks-recreation/town-parks>

¹⁴¹ American Academy for Park and Recreation Administration, National Gold Medal Award Recipients, <https://aapra.org/Portals/0/GoldMedalProgram/2020%20of%20Summary%20of%20all%20Gold%20Medal%20Winners.pdf?ver=Bqd7hoemVfbtoyrdGNxJgQ%3d%3d>

County Transit (“LCT”). LCT operates six routes within the Town. Route 55 (Blue Line) specifically serves Compass Creek.¹⁴²

Figure 3: Map of Public Transportation in Town of Leesburg



Pursuant to this Memorandum of Understanding, the Town provides financial support for the LCT’s public transportation services, and is responsible for the installation of signage for bus stops. The Town and the County share responsibility for the maintenance and upkeep of these signs, as well as bus stop shelters. Additionally, the Town has an ongoing program for the design and construction of bus shelters in the Town, with the goal of improving conditions for users of public transportation and encouraging greater use of the system.¹⁴³

¹⁴² Loudoun County Transit, Leesburg Fixed Routes & Safety Ride, https://www.loudoun.gov/DocumentCenter/View/111107/Route-55-56-57-5321_e?bidId=

¹⁴³ Town of Leesburg, Adopted Fiscal Year 2022 Budget & Fiscal Years 2022-2027 Capital Improvements Program, at 189.

M. Leesburg Executive Airport

The Town owns and operates the Leesburg Executive Airport. The Airport's mission is to provide modern aviation facilities and safe operations in a fiscally prudent manner while providing a variety of important services to the community such as corporate travel, charter operations, flight training, recreational flying, and emergency medical air support.

The Airport is the second busiest general aviation airport in Virginia.¹⁴⁴ There are approximately 250 aircraft based at the Airport, and it sees more than 90,000 takeoffs and landings each year. The Airport also provides general aviation capacity relief for the heavily congested airspace in the Washington D. C. Metropolitan Area.

The Airport's physical facilities include a 5,500 ft. runway, a public terminal building, a Remote Air Traffic Control tower, 107 T-hangars, four commercial hangars, and support facilities. Fixed Based Operation ("FBO") businesses provide fueling, aircraft maintenance, and customer services. The Airport provides an instrument landing system, approach lighting system, and automated weather station facility that allow aircraft to arrive in inclement weather conditions. The Airport is equipped to handle the largest corporate jet aircraft flying today.

Notably, the Airport is home to the first Remote Air Traffic Control tower in the United States. The cutting-edge Remote Tower System sends electronic video and data to a remote center where a team of professional Air Traffic Controllers direct and sequence aircraft to the airport for improved safety and efficiency.

The Airport serves as a critical resource for economic development efforts for the Town and the County. The Airport hosts aviation businesses including FBO businesses, flight schools, a

¹⁴⁴ Town of Leesburg, Adopted Fiscal Year 2023 Budget & Fiscal Years 2023-2028 Capital Improvements Program, at 151.

medical evacuation helicopter service, aircraft repair facilities, charter jet services, aircraft sales offices, a Federal Aviation Administration facility, and a United States Customs Clearance facility. This activity creates more than a 580 jobs with a local economic impact estimated to exceed 121 million dollars each year. The Airport is also the site of the annual Leesburg Air Show, which attracts up to 10,000 spectators each year.

The Airport has a professional staff lead by director Scott Coffman. The Leesburg Airport Commission provides recommendations to the Town and the Airport staff on planning, operations, and maintenance issues. The Commission has eight members, plus a Town Council liaison and a representative of the County Board of Supervisors. The Airport issued its current Master Plan Update in December, 2018.

N. Public Library

The Town operates the Thomas Balch Library, a specialized history and genealogy library containing over 14,000 books and journals. The Thomas Balch Library has collections focusing on Leesburg, regional, and Virginia history, military history, and other rare and unique materials.¹⁴⁵ The Thomas Balch Library also holds a large collection of audio and video materials, including oral history interviews and radio recordings.

O. Solid waste collection and disposal

The Compass Creek annexation area consists entirely of commercial properties. Neither the Town nor the County provide commercial solid waste collection and disposal services.

P. Conclusion

The Town is proud to provide a full array of award-winning urban services to its residents and the surrounding region. The Town already provides many services to the Annexation Area,

¹⁴⁵ Town of Leesburg, Libraries, <https://www.leesburgva.gov/residents/libraries>

including street access and water and sewer service, and the Town has the systems and infrastructure in place to provide its full suite of services to the Annexation Area.

Sources: Documents as referenced in footnotes.

Kaj H. Dentler, Town Manager; Office of the Town Manager

Bill Ackman, Director of Plan Review.

Gregory C. Brown, Chief of Police.

Scott Coffman, Airport Director.

James David, Director of Planning and Zoning.

Cole Fazenbaker, Town Management and Budget Officer.

Alexandra Gresitt, Library Director.

Renee LaFollette, Director of Public Works and Capital Projects.

Nathaniel Ogedegbe, Stormwater Engineer.

Russell Seymour, Director of Economic Development.

Rich William, Director of Parks and Recreation.

Amy Wyks, Director of Utilities.

Section XI: Town's Need to Annex

Pursuant to 1 Va. Admin. Code § 50-20-540(14-15), Leesburg provides the following data and other evidence concerning the Town's need to annex the remaining portion of Compass Creek and its ability to finance this annexation.

A. Overview

The Town brings this annexation to expand its tax resources and to obtain land for industrial and commercial development. The population of the Town has grown significantly in recent years, but the Town's tax resources have not grown comparably. This population growth had led to increased demands on the Town's municipal services as well as increased development within the Town (thus, reducing vacant land available for development). The Town has, to date, managed these pressures and remained financially sound. The Town nevertheless needs additional tax resources to continue to provide high quality municipal services to its residents and the surrounding community.

For decades, the County and the Town have planned for the Town's continued development, and designated the JLMA, including Compass Creek, as the area for the Town to expand its boundaries. The Town made the development of Compass Creek—including the Annexation Area—possible through the construction of Battlefield Parkway street access and by providing water and sewer service. In addition to the ongoing development of the Microsoft property, the Annexation Area will also provide approximately 30 acres of vacant land for commercial and/or industrial development.

Annexation of the remainder of Compass Creek will provide the Town with an estimated \$9.4 million of annual net revenue, accounting for the increased costs of providing municipal services and reduced water and sewer revenue (properties in the Annexation Area will pay lower

utility rates). Therefore, annexation will allow the Town to participate in the financial benefit flowing from the development it helped to create, and create opportunities for future commercial and industrial development within the Town.

B. The Town’s need to expand its tax resources.

The Town has experienced significant population growth over the past ten years. However, the Town’s financial growth has not kept pace. The Town’s local revenues have remained largely stagnant, while its financial needs have increased commensurate with population. Despite these pressures, the Town remains financially sound, due to the Town’s efficient government. The Town needs to expand its local tax resources to continue to provide high quality services to its growing population and the surrounding area.

Over this same period, the County has enjoyed extraordinary growth in local tax resources. While the County has also experienced significant population growth, it has realized significant increases in local tax revenues, expenditures, and savings (reflected by General Fund’s fund balance), while at the same time decreasing its real estate tax rate by over 31%. The County’s financial boon is the result of an extraordinary increase in the assessed value of personal property in the County, driven by the significant increase in “other” personal property—the computer equipment housed in data centers. The assessed value of “other” personal property in the County has increased 507% from fiscal year 2010 to 2021. The County attributes its ability to decrease taxes while still experiencing significant financial growth to the fiscal impact of data center tax revenues.

The annexation of the remaining parcels in Compass Creek will have a significant, positive impact on the Town’s finances. The Annexation Area comprises two general types of land: commercial properties, including the Walmart Supercenter, At Home store, and CC Outparcel

property (which is expected to be developed as a restaurant); and industrial properties, including the Microsoft parcel (with data centers under construction) and the Leesburg Commercial parcel (which is vacant, but subject to a rezoning application for a data center use). Once the Annexation Area is fully developed, the Town estimates additional gross revenues of \$9.9 million, as detailed in Table 18 below.

| Table 18: Summary of Estimated Tax Revenues at Buildout (2026) | | | | | |
|---|---------------|-------------------|-----------|----------|-------------|
| Parcel | Type of Tax | | | | |
| | Real Property | Personal Property | BPOL | Meals | Total |
| Walmart | \$30,842 | \$3,435 | \$139,916 | \$42,386 | \$216,580 |
| At Home | \$15,798 | \$1,561 | \$7,947 | N/A | \$25,306 |
| CC Outparcel | \$3,755 | \$88 | \$2,350 | \$88,650 | \$94,843 |
| Peterson | \$106,315 | \$1,397,143 | \$37,647 | N/A | \$1,541,105 |
| Microsoft | \$630,407 | \$7,204,402 | \$194,128 | N/A | \$8,028,937 |
| | | | | Total | \$9,906,770 |

The County will have no appreciable loss of local tax revenue. The annexation will have a significant, positive impact on the Town’s annual revenue, and enable the Town to further serve its citizens.

1. General financial characteristics of the Town.

Leesburg is in sound financial condition and has managed its financial resources well. The Town’s Finance Department is led by Director Clark Case and Deputy Directors Lisa Haley and Diane Starkey. Its senior staff have substantial knowledge and experience in both Leesburg and other Virginia localities. The Town operates efficiently and effectively and has many “best practices” in place, and is well managed in serving its residents and businesses. Leesburg has implemented financial policies and practices that are long-standing, conservative and sound.

The Town has earned and retained a triple A bond rating from each of the three major national bond rating agencies—Fitch Ratings, Moody’s, and Standard & Poor’s.¹⁴⁶ Leesburg is one of only 44 towns in the United States to hold this rating.¹⁴⁷ Additionally, the Town has received awards and recognition for its financial management practices and achievements, including:

1. Popular Annual Financial Reporting Award, Governmental Finance Officers Association of the United States and Canada (“GFOA”) (2020);
2. Certificate of Achievement for Excellence in Financial Reporting, GFOA (1986-2022);
3. Distinguished Budget Presentation Award, GFOA (1986-2022); and
4. Virginia Municipal League, Achievement Award - Financial Sustainability Plan (2013).

The Town’s sound financial management reflects its ability to efficiently provide urban services. While the Town provides the full range of high-quality services to its residents, it does so at lower cost than comparable Virginia towns. Leesburg spends approximately \$1,164 per Town resident, which is less than comparable Towns—Purcellville (\$1,315), Herndon (\$1,291), and Vienna (\$1,965).¹⁴⁸ This reflects that Leesburg efficiently provides quality services to its growing population.

The Town has worked for years to expand its commercial and industrial tax base to reduce the tax burden on residential properties.¹⁴⁹ Leesburg’s Adopted Fiscal Year 2023 Budget reports that residential properties comprised 77% of the Town’s total real estate tax base and commercial

¹⁴⁶ Town of Leesburg, Credit Rating Reports, <https://www.leesburgva.gov/departments/finance/accounting/credit-rating-reports> .

¹⁴⁷ Davenport & Company, LLC (2022).

¹⁴⁸ Auditor of Public Accounts, 2021 Original Comparative Report of Local Government, *available at* http://www.apa.virginia.gov/data/download/local_government/comparative_cost/Cost21.xlsx

¹⁴⁹ Town of Leesburg, 2022 Legacy Leesburg Town Plan, at 117-18; Town of Leesburg, 2012 Town Plan, at 8-4 (Economic Development, Objective 3(c)); Town of Leesburg, 2005 Leesburg Town Plan, at 65 (Economic Development, Objective 3 (c)).

properties are 23%.¹⁵⁰ At the same time, assessments of existing commercial properties increased only 4.7% in 2022.

Overall, the Town has done an excellent job in using available tax resources to efficiently provide high quality municipal services to its citizens and the surrounding area.

2. Increasing costs associated with providing Town services.

Faced with increasing population and increased demand for Town services, the Town is experiencing an increase in the associated costs, in terms of personnel, contract services, and capital improvements. Leesburg is incurring increased costs associated with attracting and retaining Town employees, both salaried and part time. The Town's employment costs have increased approximately 6% in response to increased competition for quality staff. The Town expects its employment costs will continue to increase each year, as will the costs associated with contract services.

The Town has adopted a Six-Year Capital Improvements Program ("CIP") to guide Town investment in infrastructure improvements for fiscal years 2023 through 2028.¹⁵¹ The CIP provides for \$229 million in expenditures for 81 projects over the next six years.¹⁵² These projects are described in the Town's Adopted Fiscal Year 2023 Budget/Fiscal Years 2023-2028 CIP document, and include downtown improvements, facility improvements, capital asset and equipment replacements, transportation improvements, a police headquarters facility expansion, airport improvements, and infrastructure upgrades.¹⁵³ Nearly one third of the Town's CIP expenditures

¹⁵⁰ Town of Leesburg, Adopted Fiscal Year 2023 Budget & Fiscal Years 2023-2028 Capital Improvements Program, at 17.

¹⁵¹ *Id.* at 157.

¹⁵² *Id.* at 17.

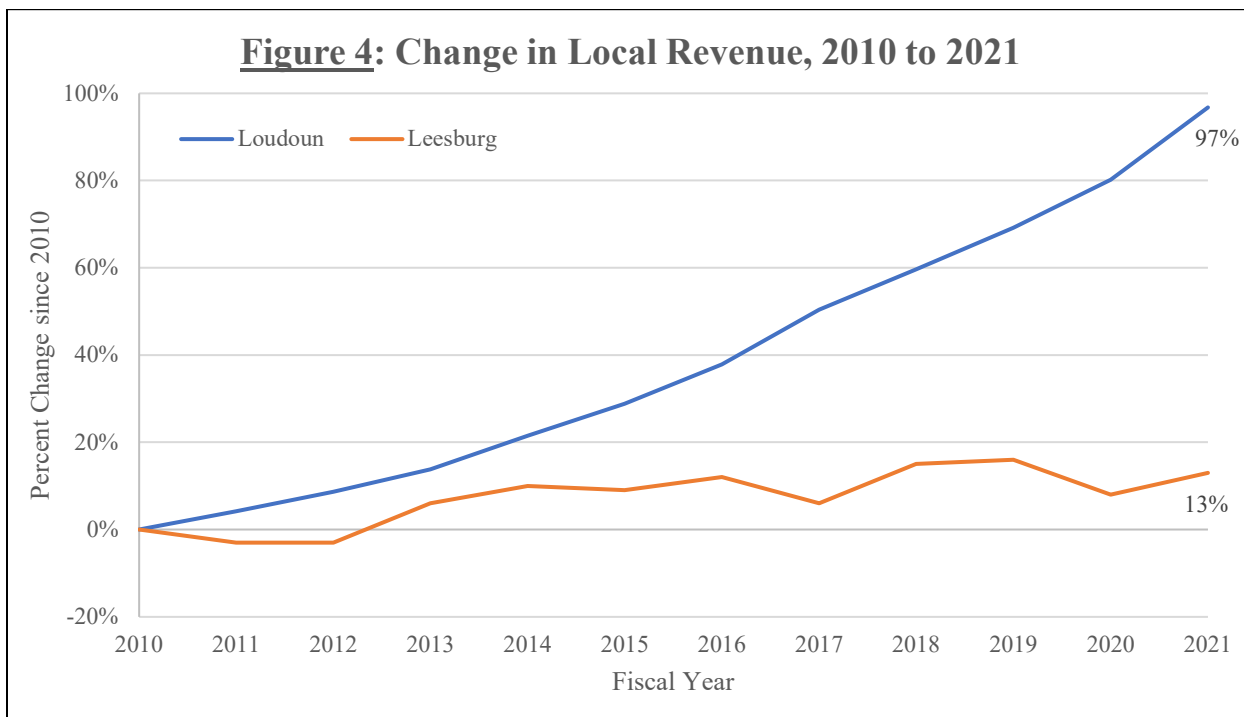
¹⁵³ *Id.* at 168-268.

are focused on utility upgrades,¹⁵⁴ including possible expansions of the Town Water Pollution Control Facility¹⁵⁵ and Water Treatment Plant.¹⁵⁶

3. Local Revenue Analysis.

a. The Town’s total local revenue has been flat, while the County’s substantially increased.

From fiscal year 2010 to 2021, the Town’s total local revenue increased by only 13%, from \$38,523,053 to \$43,720,044, as shown in Figure 4, below.¹⁵⁷ An itemization of the Town’s revenue is set forth in Section IX, Tables 5 and 7, above.



¹⁵⁴ *Id.* at 161.

¹⁵⁵ *Id.* at 246-253

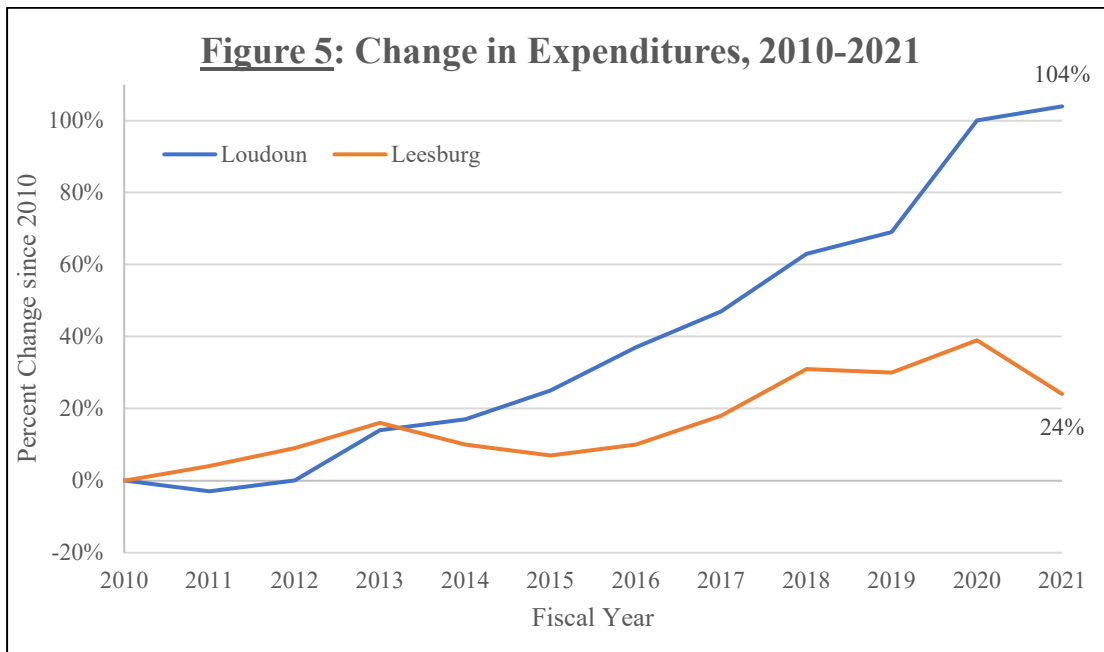
¹⁵⁶ *Id.* at 261-262.

¹⁵⁷ Town of Leesburg, Annual Comprehensive Financial Reports 2010-2021 (Table 5).

By comparison, the County’s total local tax revenues increased 97% during the same time period, from \$981,035,779 to \$1,930,606,684.¹⁵⁸ The County’s local tax revenue comprises over 90% of its total annual revenue. An itemization of the County’s revenue is set forth in Section IX, Tables 6 and 8, above.

b. Expenditures by the Town and the County have increased.

Over that same period, the Town’s expenditures have increased modestly to address the demands of an increasing population, as shown in Figure 5, below. In fiscal year 2021, the Town’s expenditures totaled \$68.4 million, an increase of only 24% since fiscal year 2010.¹⁵⁹ The Town’s expenditures have been limited by the modest growth in local tax revenues. During this period, the Town has continued to provide high-quality services to its residents, reflecting the efficiency of the Town government.



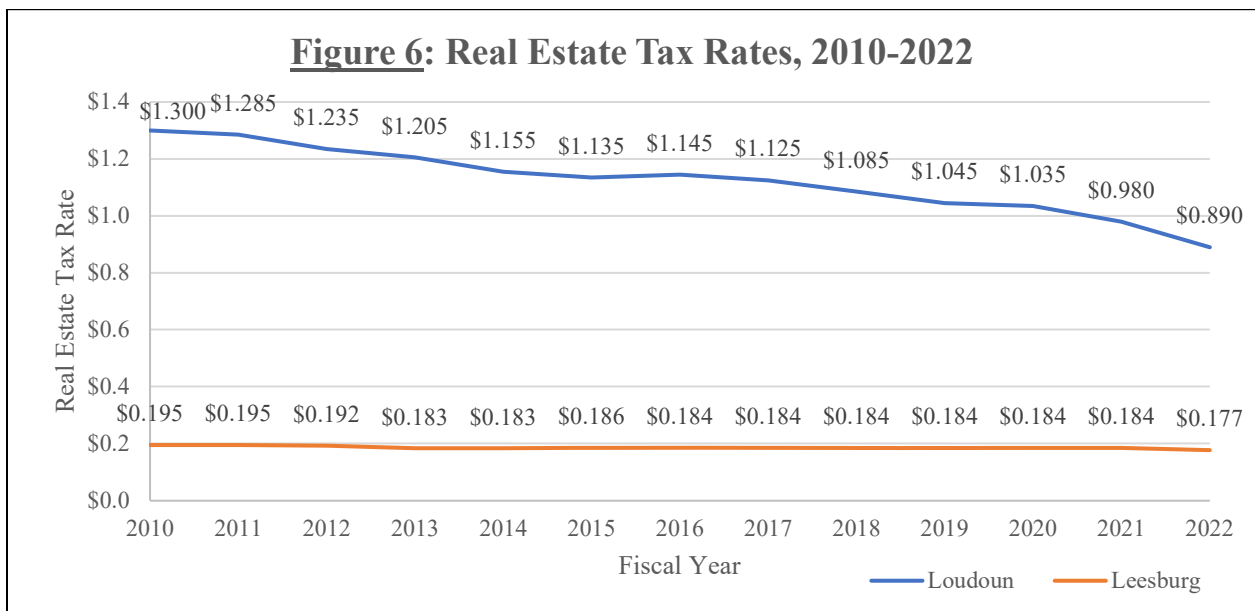
¹⁵⁸ Loudoun County, Annual Comprehensive Financial Reports 2010-2021 (Table D). Comparing the Town’s and the County’s percentage change in local revenue collections is appropriate because the County’s revenue collections are orders of magnitude greater than that of the Town. For example, the County collected \$1,930,606,684 in local revenue in 2021, while the Town collected only \$43,720,044 (*i.e.*, 2.3% of the County’s local revenue collections).

¹⁵⁹ Town of Leesburg, Annual Comprehensive Financial Reports 2010-2021 (Table 5).

By comparison, the County’s expenditures have increased significantly, and have far outpaced that of the Town. The County’s total expenditures exceeded \$2.4 billion for fiscal year 2021, a 104% increase since fiscal year 2010.¹⁶⁰ The County’s ability to more than double its expenditures was made possible because of the extraordinary increase in its local revenue during that period.¹⁶¹

c. Changes in Tax Rates.

From 2010 to 2021, the Town adopted a modest reduction (5%) in the real estate tax rate, from \$0.195 to \$0.184 per \$100 in assessed value.¹⁶² In contrast, Loudoun County has systematically reduced its real estate tax rate from \$1.30 in 2010 to \$0.98 in 2021—a 24.6% decrease.¹⁶³ The County has reduced its real estate tax rate each year during this time. In 2022, the Town reduced its real estate tax rate from \$0.184 to \$0.1774, and the County reduced its real estate tax rate from \$0.98 to \$0.89.



¹⁶⁰ Loudoun County, Annual Comprehensive Financial Reports 2010-2021 (Table D).

¹⁶¹ See *supra* Section XI(B)(3)(a).

¹⁶² Town of Leesburg, Annual Comprehensive Financial Reports 2010-2021 (Table 10).

¹⁶³ Loudoun County, Annual Comprehensive Financial Reports 2010-2021 (Table G).

d. The impact of data centers on local revenue.

Despite reducing its real estate tax rate by more than 30%, the County has realized increasing local tax revenues, which has made increased expenditures possible. The County links its ability to reduce the real estate tax rate to the increase in local tax revenue from data centers. As stated in the County’s 2021 Annual Comprehensive Financial Report: “Driven by continued growth in the data center industry that is prevalent in Loudoun County, the County was able to decrease the real property tax rate during the FY 2022 budget process while still providing consistent service levels.”¹⁶⁴ The computer equipment in data centers drives extraordinary increases in business personal property tax revenues. This revenue stream has allowed the County to reduce the tax burden on residential properties while still enjoying increases in total local revenue.

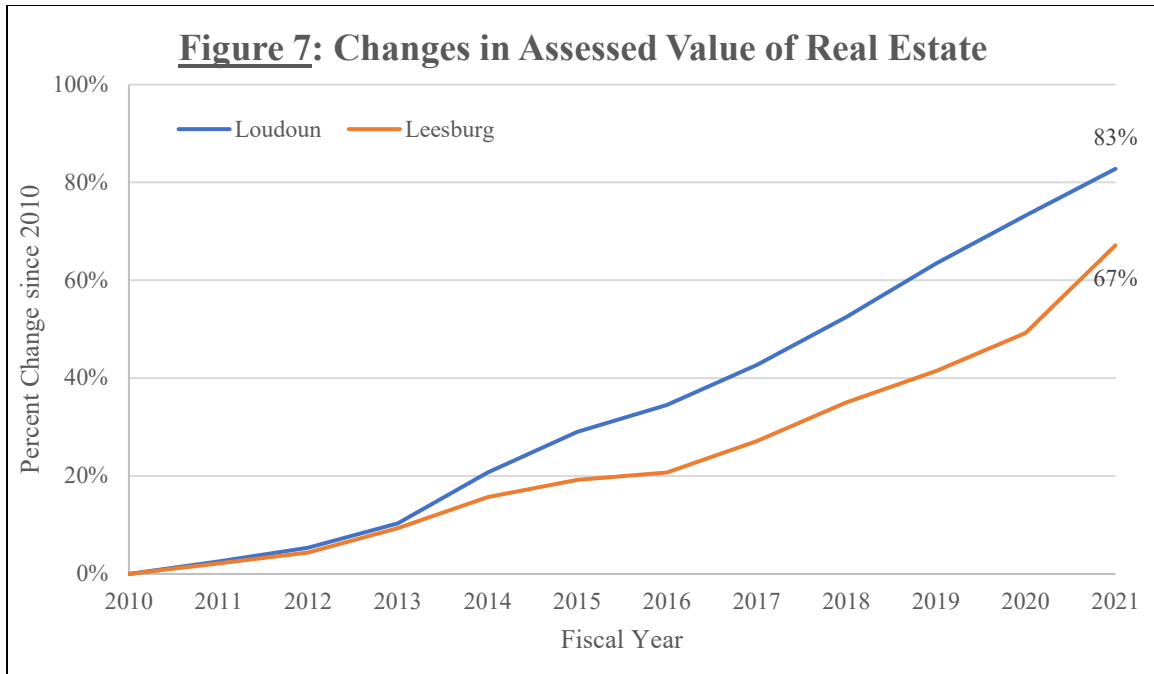
i. Assessed Value of Taxable Real Estate.

Over the past decade, the Town has experienced moderate growth in the assessed value of taxable real estate. As shown in Figure 7 below, the assessed value of taxable real estate in the Town increased by 67% between 2010 and 2021, from \$5,663,563,074 to \$9,469,858,988.¹⁶⁵ In the County, the assessed value of real estate increased by 83% during the same time period, from \$54,440,874,027 to \$99,511,565,229.¹⁶⁶ The County, therefore, has a higher rate of growth in the assessed value of real property than does the Town.

¹⁶⁴ Loudon County, Annual Comprehensive Financial Reports for year ended June 30, 2021, at 32.

¹⁶⁵ Town of Leesburg, Annual Comprehensive Financial Reports 2010-2021 (Table 9).

¹⁶⁶ Loudoun County, Annual Comprehensive Financial Reports 2010-2021 (Table F).



These increases in the assessed value of real estate have resulted in increased real estate tax revenues. From fiscal year 2010 to 2021, the Town real estate tax collections have increased by 46.96%, from \$10,557,560 to \$15,515,700.¹⁶⁷ Despite the County decreasing real estate tax rates by nearly 25% during this time, its real estate tax collections have nevertheless increased by 41.38%, from \$651,760,593 to \$921,428,762.¹⁶⁸ These increases, however, do not reflect the significant difference between the Town and the County’s change in local revenue over this period.

ii. The extraordinary increase in the County’s personal property tax revenue.

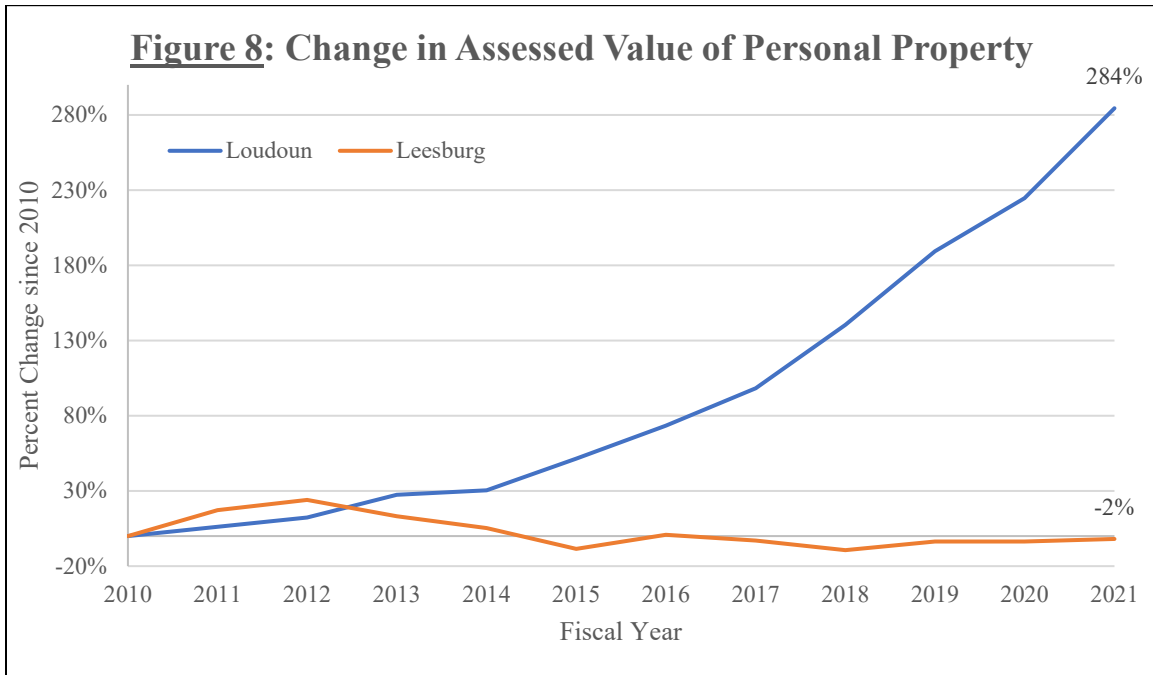
From 2010 to 2021, the assessed value of personal property in the Town decreased by 2%, from \$425,625,374 to \$417,083,220, as shown in Figure 8 below.¹⁶⁹ In contrast, the assessed value

¹⁶⁷ Town of Leesburg, Annual Comprehensive Financial Reports 2010-2021 (Exhibit A-2).

¹⁶⁸ Loudoun County, Annual Comprehensive Financial Reports 2010-2021 (Schedule 1).

¹⁶⁹ Town of Leesburg, Annual Comprehensive Financial Reports 2010-2021 (Table 9).

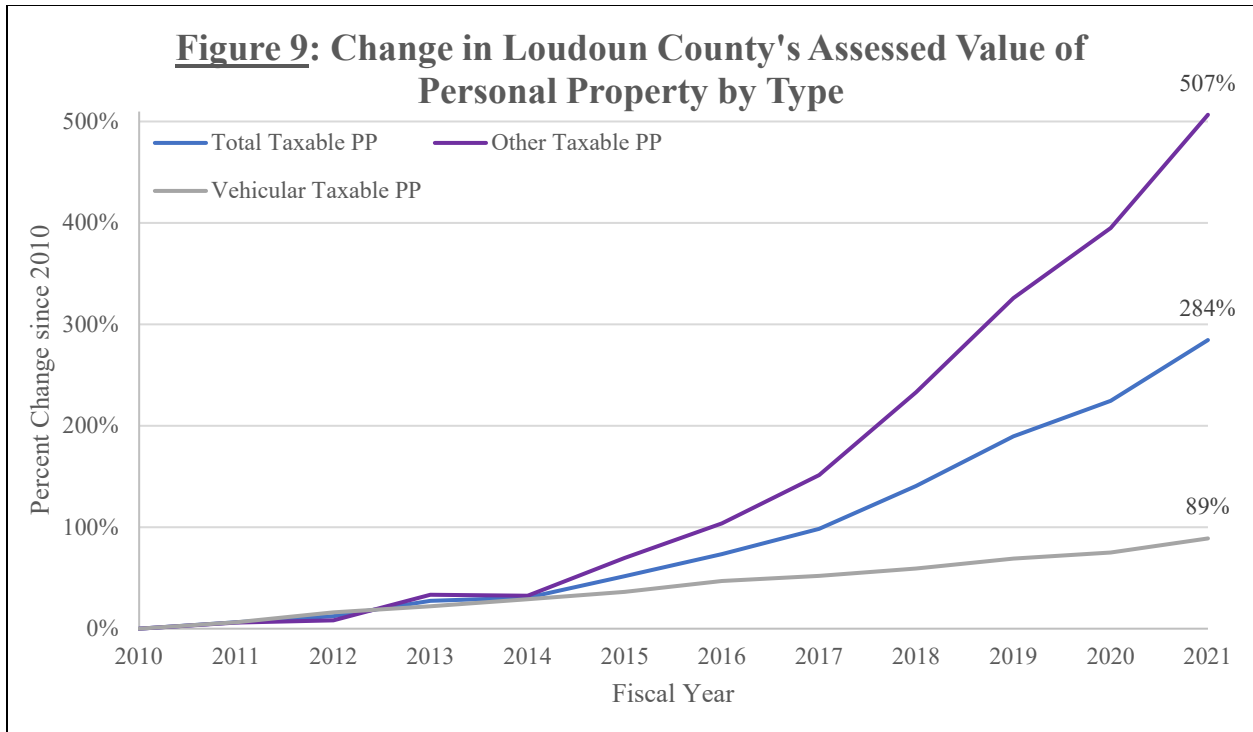
of personal property in the County increased by 284%, from \$4,198,141,294 to \$16,139,435,563.¹⁷⁰



The extraordinary increase in the assessed value of personal property in the County results from the development of data centers in the County, primarily since 2014. The County reports two types of personal property: (1) vehicular personal property; and (2) other personal property. “Other personal property” includes the computer equipment in data centers. Since 2010, the assessed value of “other” personal property in the County has increased 507%, as shown in Figure 9 below.¹⁷¹

¹⁷⁰ Loudoun County, Annual Comprehensive Financial Reports 2010-2021 (Table F).

¹⁷¹ Loudoun County, Annual Comprehensive Financial Reports 2010-2021 (Table F).



This increase in the assessed value of “other” personal property—computer equipment in data centers—has driven a significant increase in the County’s personal property tax revenues. From 2010 to 2021, the County’s personal property tax revenues increased 506.71%, from \$91,382,900 to \$563,206,076.¹⁷² During the same period, the Town’s personal property tax revenue has declined.

e. Summary of local revenue analysis.

These revenue analyses establish that, between 2010 and 2021, the Town had modest growth in its total local revenue (13%). The Town’s tax base is growing slowly, despite significant population growth during the same period.

¹⁶¹ This also reflects an overall shift in the source of personal property tax revenues—from motor vehicles (taxed at \$4.20 per \$100 in assessed value, but subject to personal property tax relief between 27-58%) to computer equipment (taxed at \$4.20 per \$100 in assessed value without tax relief). *See* Loudoun County, Virginia Personal Property Tax Relief, <https://www.loudoun.gov/1626/Virginia-Personal-Property-Tax-Relief>; Loudoun County, Property Tax Rates 2022, <https://www.loudoun.gov/1922/Property-Tax-Rates>.

The County’s local revenue has risen 97% from 2010 to 2021. The County’s extraordinary increase in total local revenue is a result of the increase in the assessed value of personal property—primarily, computer equipment in data centers. The County has made this connection: “Growth in data centers and the resulting buildout of those facilities, which increases computer equipment and furniture and fixtures, is the largest driver of increases in property tax revenue.”¹⁷³

4. Financial Impact of Annexation.

Despite enabling the development of Compass Creek by providing water and sewer service, and Town streets, the Town has not fully participated in the resulting expansion of tax resources. The annexation of the remaining parcels in Compass Creek will allow the Town to collect substantial new tax revenues—over \$9.9 million gross revenues per year once the Annexation Area is fully developed. This new tax revenue will more than offset a decrease in utility revenue (approximately \$290,000 per year at buildout) as well as the expense associated with providing additional urban services (approximately \$250,000 per year) to the Annexation Area. There will be no meaningful adverse financial impact to the County.

a. Revenue Analysis

The Town has estimated the potential tax revenues from the Annexation Area. These estimates are based on the appropriate factors including the existing development of the Walmart, At Home, and Microsoft properties, the anticipated additional development of the Microsoft property, the anticipated development of the Leesburg Commercial property, and the application of the methodology developed by the County to estimate revenue from data centers. The annexation will have a significant financial impact to the Town—grossing approximately \$9.9

¹⁷³ Loudon County, Annual Comprehensive Financial Reports for year ended June 30, 2021, at 29.

million per year in additional real property, personal property, business, professional, occupational, and license (“BPOL”), and meals tax revenues at full buildout in fiscal year 2026.¹⁷⁴

i. Revenues from Walmart parcel.

Annexation of the Walmart parcel will result in approximately \$215,108 per year in additional tax revenues to the Town—\$29,280 in real property revenue; \$3,109 in personal property revenue; \$139,916 in BPOL revenue; and \$42,386 in meals revenue.

A. Real property tax revenue.

For the 2022 tax year, the assessed value of the Walmart parcel is \$16,505,410—\$5,829,800 is the assessed value of the land and \$10,675,610 is the assessed value of the improvements.¹⁷⁵ At the Town’s current real property tax rate of \$0.1774 per \$100 in assessed value, the Walmart parcel will generate \$29,281 in real property tax revenues to the Town based on 2022 assessments.¹⁷⁶

B. Personal property tax revenue.

The Town estimates that commercial properties generate \$0.016 in personal property tax revenue per square foot of building space.¹⁷⁷ Therefore, the Walmart parcel will generate approximately \$3,109 in annual personal property tax revenues.¹⁷⁸

¹⁷⁴ The annexation area also includes PIN 234192469000. A vernal pool (wetland) is situated on this parcel and, therefore, it is not suitable for development. Accordingly, it presents no meaningful source of tax revenues.

¹⁷⁵ Loudoun County, Assessment & Land Parcel Database, <https://reparcelasmt.loudoun.gov/pt/datalets/datalet.aspx?mode=valuesall&UseSearch=no&pin=234392601000&jur=107&taxyr=2022&LMparent=20>

¹⁷⁶ Ann Harrity Shawver, CPA, PLLC.

¹⁷⁷ Cole Fazenbaker, Leesburg Finance Department.

¹⁷⁸ Ann Harrity Shawver, CPA, PLLC.

C. BPOL tax revenue.

The Town estimates that “large box” stores, such as Walmart, generate \$0.72 in BPOL tax revenue per square foot of building space.¹⁷⁹ Accordingly, the Walmart parcel will generate approximately \$139,916 in annual BPOL tax revenues.¹⁸⁰

D. Meals and beverage tax revenue.

The Town estimates the Walmart parcel will generate approximately \$42,386 in annual meals tax revenue. The Walmart Supercenter on this parcel contains two sources of meals tax revenue: a deli and a Subway restaurant.

The Town estimates the Subway restaurant occupies 3,568 square feet of building space, based on comparable restaurants in the Town.¹⁸¹ The Town further estimates the Subway restaurant generates \$3.86 of meals tax revenue per square foot.¹⁸² Accordingly, the Subway restaurant within the Walmart Supercenter will generate \$13,772 in annual meals tax revenue.¹⁸³

The Town estimates the Walmart Supercenter generates \$0.15 of meals tax per square foot of building space, net of the Subway restaurant. Accordingly, the Walmart Supercenter will generate \$28,614 in annual meals tax revenue.¹⁸⁴

¹⁷⁹ Cole Fazenbaker, Leesburg Finance Department.

¹⁸⁰ Ann Harrity Shawver, CPA, PLLC.

¹⁸¹ Cole Fazenbaker, Leesburg Finance Department.

¹⁸² *Id.*

¹⁸³ Ann Harrity Shawver, CPA, PLLC.

¹⁸⁴ *Id.*

ii. Revenues from At Home parcel.

Annexation of the At Home parcel will result in approximately \$215,108 per year in additional tax revenues to the Town—\$14,953 in real property revenue; \$1,413 in personal property revenue; and \$7,947 in BPOL revenue.¹⁸⁵

A. Real property tax revenue.

For the 2022 tax year, the assessed value of the At Home parcel is \$8,428,760—\$2,648,900 is the assessed value of the land and \$5,779,860 is the assessed value of the improvements.¹⁸⁶ At the Town’s current real property tax rate of \$0.1774 per \$100 in assessed value, the Walmart parcel will generate \$14,953 in real property tax revenues to the Town based on 2022 assessments.¹⁸⁷

B. Personal property tax revenue.

The Town estimates that commercial properties generate \$0.016 in personal property tax revenue per square foot of building space.¹⁸⁸ Therefore, the At Home parcel will generate approximately \$1,413 in annual personal property tax revenues.¹⁸⁹

C. BPOL tax revenue.

The Town estimates that “medium box” stores, such as At Home, generate \$0.09 in BPOL tax revenue per square foot of building space.¹⁹⁰ Accordingly, the At Home parcel will generate approximately \$7,947 in annual BPOL tax revenues.¹⁹¹

¹⁸⁵ *Id.*

¹⁸⁶ Loudoun County, Assessment & Land Parcel Database, <https://reparcelasmt.loudoun.gov/pt/datalets/datalet.aspx?mode=valuesall&UseSearch=no&pin=234294515000&jur=107&taxyr=2022&LMparent=20>

¹⁸⁷ Ann Harrity Shawver, CPA, PLLC.

¹⁸⁸ Cole Fazenbaker, Leesburg Finance Department.

¹⁸⁹ Ann Harrity Shawver, CPA, PLLC.

¹⁹⁰ Cole Fazenbaker, Leesburg Finance Department.

¹⁹¹ Ann Harrity Shawver, CPA, PLLC.

iii. Revenues from future development of CC Outparcel property.

The CC Outparcel property is currently vacant. Original concept plans suggested this property may be developed for a child care center.¹⁹² Current development patterns in Compass Creek suggest this property will likely be developed as a restaurant.¹⁹³ This is consistent with the property's PD-CC-SC zoning, which permits restaurant uses by right.¹⁹⁴

Annexation of the CC Outparcel property will result in approximately \$94,702 per year in additional tax revenues to the Town—\$3,622 in real property revenue; \$80 in personal property revenue; \$2,350 in BPOL revenue; and \$88,650 in meals revenue—once developed as a restaurant.¹⁹⁵

A. Real property tax revenue.

For the 2022 tax year, the assessed value of the CC Outparcel property is \$816,800, which is solely attributable to the assessed value of the land.¹⁹⁶ At the Town's current real property tax rate of \$0.1774 per \$100 in assessed value, the CC Outparcel property will generate \$1,449 in real property tax revenues to the Town based on 2022 assessments.¹⁹⁷

The Town anticipates that, upon annexation, the CC Outparcel property will be fully developed as a restaurant by fiscal year 2024. Based on similar lot sizes for chain restaurants in Leesburg, the Town anticipates the restaurant will be approximately 5,000 square feet in size.¹⁹⁸

¹⁹² See Loudoun County Application Number: ZMAP-2012-0021.

¹⁹³ Russell Seymour, Leesburg Economic Development Department.

¹⁹⁴ Loudoun Zoning Ordinance, § 4-203(C), <https://www.loudoun.gov/DocumentCenter/View/146645/ARTICLE4-and-RT-28-Corridor-Zoning?bidId=>

¹⁹⁵ Ann Harrity Shawver, CPA, PLLC.

¹⁹⁶ Loudoun County, Assessment & Land Parcel Database, <https://reparcelasmt.loudoun.gov/pt/datalets/datalet.aspx?mode=valuesall&UseSearch=no&pin=234290522000&jur=107&taxyr=2022&LMparent=20>

¹⁹⁷ Ann Harrity Shawver, CPA, PLLC.

¹⁹⁸ Cole Fazenbaker, Leesburg Finance Department; Russell Seymour, Leesburg Economic Development Director.

The average assessed value of improvements for such buildings is \$245 per square foot.¹⁹⁹ Once developed, the Town estimates the assessed value of improvements to the CC Outparcel property to be \$1,225,000. This will result in additional real property tax revenues of \$2,173 per year.²⁰⁰ Therefore, the CC Outparcel property will yield annual real property tax revenues of \$3,622 once developed.²⁰¹

B. Personal property tax revenue.

Given that commercial properties in the Town generate \$0.016 in personal property tax revenue per square foot of building space,²⁰² the Town estimates the CC Outparcel property will generate approximately \$80 in annual personal property tax revenues.²⁰³

C. BPOL tax revenue.

The Town estimates that chain restaurants generate \$0.47 in BPOL tax revenue per square foot of building space.²⁰⁴ Accordingly, the CC Outparcel property will generate approximately \$2,350 in annual BPOL tax revenues.²⁰⁵

D. Meals and beverage tax revenue.

The Town estimates chain restaurants generate \$17.73 in meals and beverage tax per square foot of building.²⁰⁶ Accordingly, the CC Outparcel property will generate approximately \$88,650 in annual meals tax revenues.²⁰⁷

¹⁹⁹ Cole Fazenbaker, Leesburg Finance Department.

²⁰⁰ Ann Harranty Shawver, CPA, PLLC.

²⁰¹ *Id.*

²⁰² Cole Fazenbaker, Leesburg Finance Department.

²⁰³ Ann Harranty Shawver, CPA, PLLC.

²⁰⁴ Cole Fazenbaker, Leesburg Finance Department.

²⁰⁵ Ann Harranty Shawver, CPA, PLLC.

²⁰⁶ Cole Fazenbaker, Leesburg Finance Department.

²⁰⁷ Ann Harranty Shawver, CPA, PLLC.

iv. Revenues from development of the Microsoft and Leesburg Commercial parcels.

A. Anticipated future data center development.

The Microsoft parcel is under development for data center uses. There are presently two data centers on the property. Building 1A is 166,857 square feet,²⁰⁸ and Building 1B is 106,767 square feet.²⁰⁹ Microsoft's site plans indicate it will construct another three data centers. Building 2 will be approximately 244,713 square feet.²¹⁰ Building 3 will be approximately 230,918 square feet.²¹¹ Building 4 will be 282,050 square feet.²¹² It is anticipated the three remaining data centers will be constructed over the three next fiscal years. Therefore, the Microsoft parcel will have 1,031,305 square feet of data centers at full build out in fiscal year 2026.

Leesburg Commercial is seeking to rezone its parcel to Planned Development-Industrial Park ("PD-IP"), which allows for data center uses by right.²¹³ The "Statement of Justification" states the property is being rezoned for data center uses.²¹⁴ While the developer has indicated the proposed data center facilities could be as large as 262,000 square feet, the developer's current estimate is a 200,000 square foot facility, of which approximately 154,000 square feet will be for data center uses and 40,000 square feet for light office uses. The Town estimates a data center on the Leesburg Commercial parcel could be constructed as early as fiscal year 2025.

²⁰⁸ Approved Planset, STMP-2019-0010

²⁰⁹ *Id.*

²¹⁰ Approved Planset, STMP-2020-0018

²¹¹ *Id.*

²¹² Planset, STMP-2022-0002.

²¹³ Loudoun County Revised 1993 Zoning Ordinance, Article 4-503(TT).

²¹⁴ Statement of Justification (March 4, 2022 revision), ZMAP-2021-0012.

B. The County’s data center revenue model.

The County has developed several models, including “conservative” and “least conservative” models, for estimating tax revenue from data centers based on its experience as the locality with the largest concentration of data centers in the country.²¹⁵ The Town’s revenue estimates are based on the County’s “conservative” model.

With respect to real estate, the “conservative” model estimates the assessed value of data center building improvements at \$245 per square foot in fiscal year 2021, with a 2% future annual growth rate. With respect to personal property, the “conservative” model estimates that computer equipment tax revenue at \$24.52 per square foot in fiscal year 2021, with a future growth rate equal to the annual change in consumer price index (“CPI”), and furniture and fixture tax revenue at \$1.44 per square foot in fiscal year 2021, with a future growth rate at approximately one quarter of the annual change in CPI. Finally, the “conservative” model projects BPOL tax revenue at \$0.16 per square foot with no growth assumed. The Town has applied the “conservative” model and the Town’s tax rates to estimate real property, business personal property, and BPOL revenues based on the anticipated size of data centers on the Microsoft and Leesburg Commercial parcels.

C. Real property tax revenue.

For the 2022 tax year, the assessed value of the Microsoft parcel is \$161,367,530—with \$76,391,300 being the assessed value of the land and \$84,976,230 the assessed value of the improvements.²¹⁶ The Microsoft parcel will yield real property tax revenue of \$286,226 based on current assessed values.²¹⁷

²¹⁵ See September 11, 2020 Email from Loudoun County attaching various data center revenue models.

²¹⁶ Loudoun County, Real Estate Information Site (PIN: 235297431000), <https://reparcelasmt.loudoun.gov/pt/datalets/datalet.aspx?mode=valuesall&UseSearch=no&pin=235297431000&jur=107&taxyr=2022&LMparent=20>

²¹⁷ Ann Harrity Shawver, CPA, PLLC.

The assessed value of the Leesburg Commercial parcel is \$833,100; this assessment value reflects only the value of the land, as the parcel is vacant. The Leesburg Commercial parcel will yield \$13,514 in additional real property tax revenues to the Town based on the current assessed values.²¹⁸

Future development of the Microsoft and Leesburg Commercial parcels will increase the Town’s real property tax revenue. Using the County’s “conservative” model, Table 19, below, shows the estimated future real property tax revenue to the Town from the development of the Microsoft parcel.

| Table 19: Estimated Real Property Tax Revenue from Microsoft Parcel | | | | | | |
|--|---------------------|-----------------------------|--|----------------------|-----------------------------|--------------------------|
| Fiscal Year | Assessed Value Land | Improvements Size (Sq. Ft.) | Est. Assessed Value Improvements Per Sq. Ft. | Total Assessed Value | Town Real Property Tax Rate | Annual Estimated Revenue |
| 2023 | \$76,391,300 | 273,624 | \$254.90 | \$146,138,058 | \$0.1774 | \$259,249 |
| 2024 | \$76,391,300 | 518,337 | \$260.00 | \$211,158,920 | \$0.1774 | \$374,596 |
| 2025 | \$76,391,300 | 749,255 | \$265.20 | \$275,093,726 | \$0.1774 | \$488,016 |
| 2026 | \$76,391,300 | 1,031,305 | \$270.50 | \$355,359,303 | \$0.1774 | \$630,407 |
| 2027 | \$76,391,300 | 1,031,305 | \$275.91 | \$360,938,663 | \$0.1774 | \$640,305 |
| 2028 | \$76,391,300 | 1,031,305 | \$281.43 | \$366,631,466 | \$0.1774 | \$650,404 |
| 2029 | \$76,391,300 | 1,031,305 | \$287.06 | \$372,437,713 | \$0.1774 | \$660,705 |
| 2030 | \$76,391,300 | 1,031,305 | \$292.80 | \$378,357,404 | \$0.1774 | \$671,206 |
| 2031 | \$76,391,300 | 1,031,305 | \$298.65 | \$384,390,538 | \$0.1774 | \$681,909 |
| 2032 | \$76,391,300 | 1,031,305 | \$304.63 | \$390,557,742 | \$0.1774 | \$692,849 |

Under this same model, development of the Leesburg Commercial parcel as a data center will result in approximately \$107,607 additional real property tax revenue to the Town due to the data center improvements.²¹⁹

²¹⁸ Ann Harrity Shawver, CPA, PLLC.

²¹⁹ *Id.*

D. Personal Property Tax Revenue.

Applying the County’s “conservative” model to the Microsoft parcel, the Town estimates approximately \$7.2 million in additional business personal property tax revenue per year once the fifth data center is complete, as shown in Table 20, below.²²⁰

| Table 20: Estimated Personal Property Tax Revenue from Microsoft Parcel | | | | | | |
|--|--|--|-------------------------|----------------------|----------------|----------------------------------|
| Fiscal Year | Loudoun Computer Equipment Taxes per Sq. Ft. | Loudoun Furniture and Fixtures per Sq. Ft. | Loudoun BPP per Sq. Ft. | Town BPP per Sq. Ft. | Square Footage | Town Estimated Business PP Taxes |
| 2023 | \$25.85 | \$1.46 | \$27.31 | \$6.50 | 273,624 | \$1,779,207 |
| 2024 | \$26.51 | \$1.47 | \$27.98 | \$6.66 | 518,337 | \$3,453,112 |
| 2025 | \$27.19 | \$1.48 | \$28.67 | \$6.83 | 749,255 | \$5,114,557 |
| 2026 | \$27.85 | \$1.49 | \$29.34 | \$6.99 | 1,031,305 | \$7,204,402 |
| 2027 | \$28.54 | \$1.50 | \$30.04 | \$7.15 | 1,031,305 | \$7,376,286 |
| 2028 | \$29.26 | \$1.51 | \$30.77 | \$7.33 | 1,031,305 | \$7,555,537 |
| 2029 | \$30.01 | \$1.52 | \$31.53 | \$7.51 | 1,031,305 | \$7,742,154 |
| 2030 | \$30.78 | \$1.53 | \$32.31 | \$7.69 | 1,031,305 | \$7,933,682 |
| 2031 | \$31.57 | \$1.53 | \$33.10 | \$7.88 | 1,031,305 | \$8,127,666 |
| 2032 | \$32.37 | \$1.54 | \$33.91 | \$8.07 | 1,031,305 | \$8,326,560 |

Applying this same methodology to the Leesburg Commercial parcel, the Town estimates approximately \$1.3 million in additional business personal property tax revenue per year (by fiscal year 2025), as shown in Table 21, below.²²¹

²²⁰ Ann Harrity Shawver, CPA, PLLC.

²²¹ *Id.*

Table 21: Estimated Personal Property Tax Revenue from Leesburg Commercial Parcel

| Year | Loudoun Computer Equipment Taxes per Sq. Ft. | Loudoun Furniture and Fixtures per Sq. Ft. | Loudoun BPP per Sq. Ft. | Town BPP per Sq. Ft. | Square Footage | Town Estimated Business PP Taxes |
|------|--|--|-------------------------|----------------------|----------------|----------------------------------|
| 2023 | \$25.85 | \$1.46 | \$27.31 | \$6.50 | 0 | \$0 |
| 2024 | \$26.51 | \$1.47 | \$27.98 | \$6.66 | 0 | \$0 |
| 2025 | \$27.19 | \$1.48 | \$28.67 | \$6.83 | 200,000 | \$1,365,238 |
| 2026 | \$27.85 | \$1.49 | \$29.34 | \$6.99 | 200,000 | \$1,397,143 |
| 2027 | \$28.54 | \$1.50 | \$30.04 | \$7.15 | 200,000 | \$1,430,476 |
| 2028 | \$29.26 | \$1.51 | \$30.77 | \$7.33 | 200,000 | \$1,465,238 |
| 2029 | \$30.01 | \$1.52 | \$31.53 | \$7.51 | 200,000 | \$1,501,429 |
| 2030 | \$30.78 | \$1.53 | \$32.31 | \$7.69 | 200,000 | \$1,538,571 |
| 2031 | \$31.57 | \$1.53 | \$33.10 | \$7.88 | 200,000 | \$1,576,190 |
| 2032 | \$32.37 | \$1.54 | \$33.91 | \$8.07 | 200,000 | \$1,614,762 |

E. BPOL Tax Revenue.

The County “conservative” model estimates BPOL taxes resulting from data centers at \$0.16 per square foot under roof. The County’s BPOL tax rate is \$0.17 per \$100 in gross receipts. The Town’s BPOL tax rate is \$0.20 per \$100 in gross receipts. Using the County’s model, the Town has projected future BPOL tax revenue via the ratio of the County to Town tax rate. At buildout of the Annexation Area in fiscal year 2026, the Town estimates collecting approximately \$232,000 in new BPOL tax revenue, as shown in Tables 22 and 23, below.²²²

²²² *Id.*

| Table 22: Projected BPOL Impact from Microsoft Parcel | | | | |
|--|-------------------------------|-----------------------------|----------------|----------------|
| Year | County BPOL Taxes per Sq. Ft. | Town BPOL Taxes per Sq. Ft. | Square Footage | Town BPOL Gain |
| 2023 | \$0.16 | \$0.1882 | 273,624 | \$51,506 |
| 2024 | \$0.16 | \$0.1882 | 518,337 | \$97,569 |
| 2025 | \$0.16 | \$0.1882 | 749,255 | \$141,036 |
| 2026 | \$0.16 | \$0.1882 | 1,031,305 | \$194,128 |
| 2027 | \$0.16 | \$0.1882 | 1,031,305 | \$194,128 |
| 2028 | \$0.16 | \$0.1882 | 1,031,305 | \$194,128 |
| 2029 | \$0.16 | \$0.1882 | 1,031,305 | \$194,128 |
| 2030 | \$0.16 | \$0.1882 | 1,031,305 | \$194,128 |
| 2031 | \$0.16 | \$0.1882 | 1,031,305 | \$194,128 |
| 2032 | \$0.16 | \$0.1882 | 1,031,305 | \$194,128 |

| Table 23: Projected BPOL Impact from Leesburg Commercial Parcel | | | | |
|--|-------------------------------|-----------------------------|----------------|----------------|
| Year | County BPOL Taxes per Sq. Ft. | Town BPOL Taxes per Sq. Ft. | Square Footage | Town BPOL Gain |
| 2023 | \$0.16 | \$0.1882 | 0 | \$0 |
| 2024 | \$0.16 | \$0.1882 | 0 | \$0 |
| 2025 | \$0.16 | \$0.1882 | 200,000 | \$37,647 |
| 2026 | \$0.16 | \$0.1882 | 200,000 | \$37,647 |
| 2027 | \$0.16 | \$0.1882 | 200,000 | \$37,647 |
| 2028 | \$0.16 | \$0.1882 | 200,000 | \$37,647 |
| 2029 | \$0.16 | \$0.1882 | 200,000 | \$37,647 |
| 2030 | \$0.16 | \$0.1882 | 200,000 | \$37,647 |
| 2031 | \$0.16 | \$0.1882 | 200,000 | \$37,647 |
| 2032 | \$0.16 | \$0.1882 | 200,000 | \$37,647 |

v. Total Estimated Tax Revenue to Town.

Based on the foregoing, the Town estimates the Annexation Area will result in additional tax revenue of \$2.3 million each year beginning in fiscal year 2023, as summarized in Table 24, below.²²³ Annual revenue will increase as the Microsoft and Leesburg Commercial parcels are developed. Once the properties are fully developed by fiscal year 2026, the Town estimates the Annexation Area will result in gross tax revenue in excess of \$9.9 million per year.²²⁴

²²³ *Id.*

²²⁴ *Id.*

| Table 24: Ten Year Estimated Revenue from Annexation Area | | | | | |
|--|---------------|-------------------|-----------|-----------|--------------|
| Year | Real Property | Personal Property | BPOL | Meals | Total |
| 2023 | \$315,857 | \$1,783,846 | \$199,369 | \$42,386 | \$2,341,458 |
| 2024 | \$434,017 | \$3,457,952 | \$247,782 | \$131,036 | \$4,270,787 |
| 2025 | \$642,181 | \$6,484,756 | \$328,896 | \$131,036 | \$7,586,869 |
| 2026 | \$787,117 | \$8,606,629 | \$381,988 | \$131,036 | \$9,906,770 |
| 2027 | \$799,613 | \$8,811,974 | \$381,988 | \$131,036 | \$10,124,611 |
| 2028 | \$812,361 | \$9,026,123 | \$381,988 | \$131,036 | \$10,351,508 |
| 2029 | \$825,365 | \$9,249,069 | \$381,988 | \$131,036 | \$10,587,458 |
| 2030 | \$838,624 | \$9,477,882 | \$381,988 | \$131,036 | \$10,829,530 |
| 2031 | \$852,135 | \$9,709,625 | \$381,988 | \$131,036 | \$11,074,784 |
| 2032 | \$865,946 | \$9,947,236 | \$381,988 | \$131,036 | \$11,326,206 |

b. Expenditure Analysis

i. Existing Infrastructure.

The Town does not anticipate needing to make any significant expenditures for infrastructure in the Compass Creek Annexation Area. The Town already provides water and sewer service to the Annexation Area, and the associated infrastructure is in place. The street, sidewalk, curb, gutter and streetlight infrastructure has been constructed, and the Town already maintains a portion of Compass Creek Parkway. Additionally, the stormwater infrastructure serving the Annexation Area is in place.

ii. Reduced Out-of-Town Utility Revenue.

From 2015 through 2020, Town Council has adopted resolutions approving the extension of Town water and sewer service to Compass Creek, including the Annexation Area. As out-of-town customers, the properties in the Annexation Area pay out-of-town water and sewer rates. After annexation, however, the properties will pay in-town water and sewer rates, as shown in Table 25, below. These lower rates will result in approximately \$290,000 per year in lower water and sewer revenue to the Town.²²⁵

²²⁵ *Id.*

Table 25: Town Water and Sewer Rates

| Fiscal Year | Nonresidential Rates | | Cooling Tower Rates | | | | In Town Sewer Rate | Out of Town Sewer Rate |
|-------------|----------------------|------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------|------------------------|
| | In Town | Out of Town | In Town | | Out of Town | | | |
| | Tier 1: All Uses | Tier 1: All Uses | Tier 1: <240,000 gallons | Tier 2: >240,001 gallons | Tier 1: <240,000 gallons | Tier 2: >240,001 gallons | | |
| 2023 | \$7.58 | \$10.68 | \$8.43 | \$10.97 | \$11.89 | \$15.47 | \$7.50 | \$11.40 |
| 2024 | \$7.92 | \$11.16 | \$8.81 | \$11.46 | \$12.42 | \$16.16 | \$7.84 | \$11.92 |
| 2025 | \$7.92 | \$11.16 | \$8.81 | \$11.46 | \$12.42 | \$16.16 | \$7.84 | \$11.92 |
| 2026 | \$7.92 | \$11.16 | \$8.81 | \$11.46 | \$12.42 | \$16.16 | \$7.84 | \$11.92 |
| 2027 | \$7.92 | \$11.16 | \$8.81 | \$11.46 | \$12.42 | \$16.16 | \$7.84 | \$11.92 |

A. Walmart utility revenue.

The Walmart parcels uses an average of 2.1 million gallons of water and sewer service per year, based on historical usage.²²⁶ The transition from out-of-town to in-town water and sewer rates upon annexation will decrease Walmart’s water and sewer charges by approximately \$7,432 per year, as shown in Tables 26 and 27, below.²²⁷

Table 26: Potential Change in Town Water Revenue due to Annexation - Walmart Parcel

| Fiscal Year | Water Gallons Per Year | | | Quarterly Fixed Fee | Out of Town Rates | | In Town Rates | | Annual Lost Revenue |
|-------------|------------------------|---------------|--------|---------------------|-------------------|-------------|---------------|-------------|---------------------|
| | Main | Garden Center | Fire | | Usage Fee | Annual Bill | Usage Fee | Annual Bill | |
| 2023 | 1,032,000 | 32,000 | 40,000 | \$271.89 | \$11,791 | \$12,878 | \$8,368 | \$9,456 | (\$3,422) |
| 2024 | 1,032,000 | 32,000 | 40,000 | \$284.12 | \$12,321 | \$13,457 | \$8,744 | \$9,880 | (\$3,577) |
| 2025 | 1,032,000 | 32,000 | 40,000 | \$284.12 | \$12,321 | \$13,457 | \$8,744 | \$9,880 | (\$3,577) |
| 2026 | 1,032,000 | 32,000 | 40,000 | \$284.12 | \$12,321 | \$13,457 | \$8,744 | \$9,880 | (\$3,577) |
| 2027 | 1,032,000 | 32,000 | 40,000 | \$284.12 | \$12,321 | \$13,457 | \$8,744 | \$9,880 | (\$3,577) |

²²⁶ Amy Wyks, Leesburg Utilities Department.

²²⁷ Ann Harrity Shawver, CPA, PLLC.

Table 27: Potential Change in Town Sewer Revenue due to Annexation - Walmart Parcel

| Fiscal Year | Sewer Gallons Per Year | | | Quarterly Fixed Fee | Out of Town Rates | | In Town Rates | | Annual Lost Revenue |
|-------------|------------------------|---------------|--------|---------------------|-------------------|-------------|---------------|-------------|---------------------|
| | Main | Garden Center | Fire | | Usage Fee | Annual Bill | Usage Fee | Annual Bill | |
| 2023 | 1,032,000 | 0 | 40,000 | \$263.88 | \$12,221 | \$13,276 | \$8,040 | \$9,096 | (\$4,181) |
| 2024 | 1,032,000 | 0 | 40,000 | \$275.76 | \$12,778 | \$13,881 | \$8,404 | \$9,508 | (\$4,374) |
| 2025 | 1,032,000 | 0 | 40,000 | \$275.76 | \$12,778 | \$13,881 | \$8,404 | \$9,508 | (\$4,374) |
| 2026 | 1,032,000 | 0 | 40,000 | \$275.76 | \$12,778 | \$13,881 | \$8,404 | \$9,508 | (\$4,374) |
| 2027 | 1,032,000 | 0 | 40,000 | \$275.76 | \$12,778 | \$13,881 | \$8,404 | \$9,508 | (\$4,374) |

B. At Home utility revenue.

The At Home parcel uses an average of 130,000 gallons of water and sewer service per year, based on historical usage.²²⁸ The transition from out-of-town to in-town water and sewer rates upon annexation will decrease At Home’s water and sewer charges by approximately \$448 per year, as shown in Tables 28 and 29, below.²²⁹

Table 28: Potential Change in Town Water Revenue due to Annexation - At Home Parcel

| Fiscal Year | Water Gallons Per Year | Quarterly Fixed Fee | Out of Town Rates | | In Town Rates | | Annual Lost Revenue |
|-------------|------------------------|---------------------|-------------------|-------------|---------------|-------------|---------------------|
| | | | Usage Fee | Annual Bill | Usage Fee | Annual Bill | |
| 2023 | 64,000 | \$155.75 | \$684 | \$1,307 | \$485 | \$1,108 | (\$198) |
| 2024 | 64,000 | \$162.75 | \$714 | \$1,365 | \$507 | \$1,158 | (\$207) |
| 2025 | 64,000 | \$162.75 | \$714 | \$1,365 | \$507 | \$1,158 | (\$207) |
| 2026 | 64,000 | \$162.75 | \$714 | \$1,365 | \$507 | \$1,158 | (\$207) |
| 2027 | 64,000 | \$162.75 | \$714 | \$1,365 | \$507 | \$1,158 | (\$207) |

Table 29: Potential Change in Town Sewer Revenue due to Annexation - At Home Parcel

| Fiscal Year | Sewer Gallons Per Year | Quarterly Fixed Fee | Out of Town Rates | | In Town Rates | | Annual Lost Revenue |
|-------------|------------------------|---------------------|-------------------|-------------|---------------|-------------|---------------------|
| | | | Usage Fee | Annual Bill | Usage Fee | Annual Bill | |
| 2023 | 64,000 | \$146.60 | \$730 | \$1,316 | \$480 | \$1,066 | (\$250) |
| 2024 | 64,000 | \$153.20 | \$763 | \$1,376 | \$502 | \$1,115 | (\$261) |
| 2025 | 64,000 | \$153.20 | \$763 | \$1,376 | \$502 | \$1,115 | (\$261) |
| 2026 | 64,000 | \$153.20 | \$763 | \$1,376 | \$502 | \$1,115 | (\$261) |
| 2027 | 64,000 | \$153.20 | \$763 | \$1,376 | \$502 | \$1,115 | (\$261) |

²²⁸ Amy Wyks, Leesburg Utilities Department.

²²⁹ Ann Harranty Shawver, CPA, PLLC.

C. CC Outparcel utility revenue.

The Town estimates that a 5,000 square foot restaurant will require an average of 1.2 million gallons of water sewer service per year, based on similar restaurants in Leesburg.²³⁰ The transition from out-of-town to in-town water and sewer rates upon annexation will decrease the applicable water and sewer charges by approximately \$5,446 per year, as shown in Tables 30 and 31, below.²³¹

| Table 30: Potential Change in Town Water Revenue due to Annexation - CC Outparcel | | | | | | | |
|--|------------------------|---------------------|-------------------|-------------|---------------|-------------|---------------------|
| Fiscal Year | Water Gallons Per Year | Quarterly Fixed Fee | Out of Town Rates | | In Town Rates | | Annual Lost Revenue |
| | | | Usage Fee | Annual Bill | Usage Fee | Annual Bill | |
| 2024 | 744,000 | \$155.75 | \$8,303 | \$8,926 | \$5,892 | \$6,515 | (\$2,411) |
| 2025 | 744,000 | \$162.75 | \$8,303 | \$8,954 | \$5,892 | \$6,543 | (\$2,411) |
| 2026 | 744,000 | \$162.75 | \$8,303 | \$8,954 | \$5,892 | \$6,543 | (\$2,411) |
| 2027 | 744,000 | \$162.75 | \$8,303 | \$8,954 | \$5,892 | \$6,543 | (\$2,411) |

| Table 31: Potential Change in Town Sewer Revenue due to Annexation - CC Outparcel | | | | | | | |
|--|------------------------|---------------------|-------------------|-------------|---------------|-------------|---------------------|
| Fiscal Year | Sewer Gallons Per Year | Quarterly Fixed Fee | Out of Town Rates | | In Town Rates | | Annual Lost Revenue |
| | | | Usage Fee | Annual Bill | Usage Fee | Annual Bill | |
| 2024 | 744,000 | \$146.60 | \$8,868 | \$9,455 | \$5,833 | \$6,419 | (\$3,036) |
| 2025 | 744,000 | \$153.20 | \$8,868 | \$9,481 | \$5,833 | \$6,446 | (\$3,036) |
| 2026 | 744,000 | \$153.20 | \$8,868 | \$9,481 | \$5,833 | \$6,446 | (\$3,036) |
| 2027 | 744,000 | \$153.20 | \$8,868 | \$9,481 | \$5,833 | \$6,446 | (\$3,036) |

D. Microsoft utility revenue.

The Town expects the Microsoft parcel will require incrementally more water and sewer service as individual data centers come online, until all data centers are completed in fiscal year 2027. Given the regional climate, the Town expects Microsoft will require a limited number of days of water usage each year for cooling purposes, as well as standard, nonresidential usage for data center administrative support. The transition from out-of-town to in-town rates will result in

²³⁰ Amy Wyks, Leesburg Utilities Department.

²³¹ Ann Harranty Shawver, CPA, PLLC.

approximately \$213,000 in reduced water service revenue and \$37,000 in reduced sewer service revenue, once all data centers are completed, as set forth in Tables 32 and 33, below.²³²

Table 32: Estimated Reduction in Town Water Revenue - Microsoft Parcel

| Fiscal Year | Quarterly Fixed Fees | | Out of Town Rates | | | | In Town Rates | | | | Annual Lost Revenue |
|-------------|------------------------|-------------|------------------------|------------------|------------------|-----------------------|------------------------|------------------|------------------|-----------------------|---------------------|
| | Data Center Operations | Admin. Uses | Data Center Operations | | Admin. Uses | Total Utility Revenue | Data Center Operations | | Admin. Uses | Total Utility Revenue | |
| | | | Tier 1: | Tier 2: | Tier 1: All uses | | Tier 1: | Tier 2: | | | |
| | | | <240,000 gallons | >240,001 gallons | | | <240,000 gallons | >240,001 gallons | Tier 1: All uses | | |
| 2023 | \$2,076.35 | \$223.10 | \$2,854 | \$156,401.70 | \$4,288 | \$172,741 | \$2,023 | \$110,906.70 | \$3,043 | \$125,171 | (\$47,570.05) |
| 2024 | \$2,169.79 | \$233.14 | \$2,981 | \$299,121.60 | \$8,961 | \$320,676 | \$2,114 | \$212,124.60 | \$6,360 | \$230,210 | (\$90,465.12) |
| 2025 | \$2,169.79 | \$233.14 | \$2,981 | \$434,865.60 | \$13,442 | \$460,900 | \$2,114 | \$308,388.60 | \$9,540 | \$329,654 | (\$131,245.98) |
| 2026 | \$2,169.79 | \$233.14 | \$2,981 | \$570,609.60 | \$17,923 | \$601,125 | \$2,114 | \$404,652.60 | \$12,720 | \$429,098 | (\$172,026.84) |
| 2027 | \$2,169.79 | \$233.14 | \$2,981 | \$706,353.60 | \$22,404 | \$741,350 | \$2,114 | \$500,916.60 | \$15,899 | \$528,542 | (\$212,807.70) |

Table 33: Estimated Reduction in Town Sewer Revenue - Microsoft Parcel

| Fiscal Year | Quarterly Fixed Fees | | Out of Town Rates | | | In Town Rates | | | Annual Lost Revenue |
|-------------|------------------------|-------------|------------------------|-------------|-----------------------|------------------------|-------------|-----------------------|---------------------|
| | Data Center Operations | Admin. Uses | Data Center Operations | Admin. Uses | Total Utility Revenue | Data Center Operations | Admin. Uses | Total Utility Revenue | |
| 2023 | \$2,345.60 | \$234.56 | \$22,230.00 | \$4,577.10 | \$37,127.74 | \$14,625.00 | \$3,011.25 | \$27,956.89 | (\$9,170.85) |
| 2024 | \$2,451.20 | \$245.12 | \$38,442.00 | \$9,571.76 | \$58,799.04 | \$25,284.00 | \$6,295.52 | \$42,364.80 | (\$16,434.24) |
| 2025 | \$2,451.20 | \$245.12 | \$53,640.00 | \$14,357.64 | \$78,782.92 | \$35,280.00 | \$9,443.28 | \$55,508.56 | (\$23,274.36) |
| 2026 | \$2,451.20 | \$245.12 | \$68,838.00 | \$19,143.52 | \$98,766.80 | \$45,276.00 | \$12,591.04 | \$68,652.32 | (\$30,114.48) |
| 2027 | \$2,451.20 | \$245.12 | \$84,036.00 | \$23,929.40 | \$118,750.68 | \$55,272.00 | \$15,738.80 | \$81,796.08 | (\$36,954.60) |

E. Leesburg Commercial utility revenue.

The developer of the Leesburg Commercial parcel has indicated that the data centers on this site will utilize a water-filled closed-loop cooling system. This system uses water only during the construction phase, and does not use any water during normal operations. Based on information provided by the developer, Building 1 will require 84,000 gallons of water and 63,000 gallons of sewer service during construction, and approximately 4,000 gallons per day (“GPD”) of water and 2,500 GPD of sewer service during normal operations.²³³ Building 2 will require 180,000 gallons

²³² Ann Harrity Shawver, CPA, PLLC.

²³³ July 27, 2022 presentation concerning data centers on Leesburg Commercial parcel.

of water and 135,000 gallons of sewer service during construction and approximately 8,500 GPD of water and 5,500 GPD of sewer service during normal operations.²³⁴

The transition from out-of-town to in-town rates will result in approximately \$14,783 in reduced water service revenue and \$11,914 in reduced sewer service revenue, once the data center is complete, as set forth in Tables 34 and 35, below.²³⁵

Table 34: Estimated Reduction in Town Water Revenue - Leesburg Commercial Parcel

| Fiscal Year | Water Gallons Per Year | Quarterly Fixed Fee | Out of Town Rates | | In Town Rates | | Annual Lost Revenue |
|-------------|------------------------|---------------------|-------------------|-----------------------|---------------|-----------------------|---------------------|
| | | | Usage Fee | Total Utility Revenue | Usage Fee | Total Utility Revenue | |
| 2025 | 264,000 | \$233.14 | \$2,946 | \$3,879 | \$2,001 | \$2,934 | (\$945) |
| 2026 | 4,562,500 | \$233.14 | \$50,918 | \$51,850 | \$36,135 | \$37,068 | (\$14,783) |
| 2027 | 4,562,500 | \$233.14 | \$50,918 | \$51,850 | \$36,135 | \$37,068 | (\$14,783) |

Table 35: Estimated Reduction in Town Sewer Revenue - Leesburg Commercial Parcel

| Fiscal Year | Sewer Gallons Per Year | Quarterly Fixed Fee | Out of Town Rates | | In Town Rates | | Annual Lost Revenue |
|-------------|------------------------|---------------------|-------------------|-----------------------|---------------|-----------------------|---------------------|
| | | | Usage Fee | Total Utility Revenue | Usage Fee | Total Utility Revenue | |
| 2025 | 198,000 | \$245.12 | \$2,360 | \$3,341 | \$1,485 | \$2,465 | (\$875) |
| 2026 | 2,920,000 | \$245.12 | \$34,806 | \$35,787 | \$22,893 | \$23,873 | (\$11,914) |
| 2027 | 2,920,000 | \$245.12 | \$34,806 | \$35,787 | \$22,893 | \$23,873 | (\$11,914) |

iii. Additional Costs.

The Town has the existing departments, personnel, equipment, infrastructure, systems, and policies in place to serve the Annexation Area, as the Town already serves the other parts of Compass Creek. The Town anticipates there will be small, incremental additional expenses to address specific needs in the Annexation Area. The Town may need to hire an additional police officer to provide an increased public safety presence. This will result in an annual cost of \$97,000 for salary, fringe benefits, equipment, and operating costs. The Town will also assume

²³⁴ *Id.*

²³⁵ Ann Harrity Shawver, CPA, PLLC.

maintenance and repairs of streets, signals, streetlights, landscaping, sidewalks, and snow removal, at an annual cost of approximately \$50,000. The Town anticipates a general governmental expenditure allocation of \$103,000 per year to address increased executive, legal, finance, and administrative expenses. These are generous estimates; the actual future costs will likely be smaller. In total, the Town estimates the possible additional expense to serve the Annexation Area at \$250,000 per year.

5. Conclusion.

Based on the estimated tax revenues, estimated reduced water and sewer revenue, and additional costs, the net revenue benefit to the Town is estimated at \$9.4 million per year once the Annexation Area is fully developed in fiscal year 2027. This expansion of tax resources will allow the Town to participate in the financial benefit flowing from the development it helped to create.

C. The Town’s need to obtain land for industrial or commercial use.

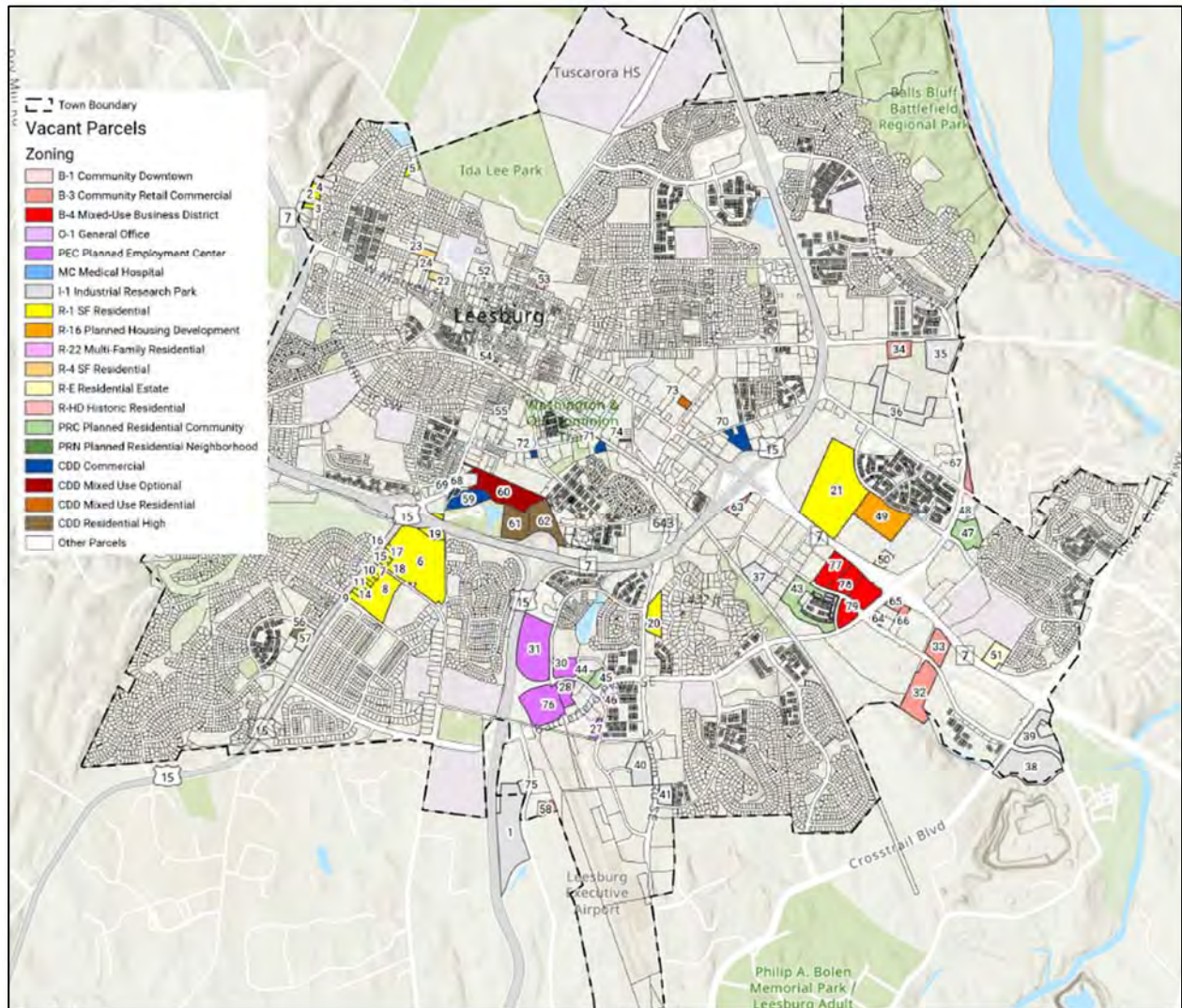
There is little vacant land in the Town available for industrial or commercial development. There are currently thirty-two parcels in the Town—only 234.17 acres in total—of vacant industrial or commercial land that is potentially available for development. This represents only 2.9% of the total land in the Town. The Annexation Area will add 402.8317 acres of land to the Town’s corporate limits. The Town’s extension of streets and utilities to these parcels has enabled their current and future development for commercial or industrial uses.

1. Vacant land in the Town.

There are seventy-two parcels of vacant land in the Town, totaling approximately 535 acres. A summary of the vacant parcels by zoning classification is set forth in Table 36, below. Each of these parcels is shown in Figure 10, below.

| Table 36: Vacant Land in Town | |
|--------------------------------------|---------|
| Zoning | Acreage |
| Residential | 318.70 |
| Employment | 61.76 |
| Industrial | 78.39 |
| Commercial | 70.82 |
| Downtown | 4.39 |
| Medical/Hospital | 1.21 |
| Total | 535.27 |

Figure 10: Vacant Parcels by Zoning Classification



There are thirty-two parcels of land in the Town potentially available for commercial and industrial development, totaling 234.17 acres. These parcels are classified as vacant and zoned for commercial or industrial uses. The Town excluded parcels that, although classified as vacant, have final approved site plans and are in the process of being constructed (*e.g.*, parcel at Oaklawn under development as a restaurant²³⁶). The Town also excluded parcels that would be difficult or cost prohibitive to develop due to being located in the flood plain, having steep slopes, or infrastructure easements. Each of the identified vacant parcels is set forth in Table 37, below.

| Table 37: Vacant Commercial or Industrial Parcels in the Town | | | |
|--|--------------|--------------------------------------|---------|
| ID # | PIN | Zoning | Acreage |
| 1 | 234382596000 | I-1 (Industrial Research Park) | 3.06 |
| 27 | 233203672000 | PEC (Planned Employment Center) | 2.00 |
| 28 | 233296350000 | PEC (Planned Employment Center) | 5.17 |
| 30 | 233396106000 | PEC (Planned Employment Center) | 6.26 |
| 31 | 233388942000 | PEC (Planned Employment Center) | 26.41 |
| 32 | 149263544000 | B-3 (Community Retail Commercial) | 16.05 |
| 33 | 149368055000 | B-3 (Community Retail Commercial) | 7.73 |
| 34 | 147271333000 | B-3 (Community Retail Commercial) | 5.27 |
| 35 | 147368209000 | I-1 (Industrial Research Park) | 13.24 |
| 37 | 189184259000 | I-1 (Industrial Research Park) | 8.23 |
| 38 | 150490155000 | I-1 (Industrial Research Park) | 24.71 |
| 39 | 149192542000 | I-1 (Industrial Research Park) | 12.01 |
| 40 | 190155301000 | I-1 (Industrial Research Park) | 11.71 |
| 41 | 191460526000 | I-1 (Industrial Research Park) | 3.92 |
| 52 | 230176511000 | MC (Medical Hospital Center) | 1.21 |
| 54 | 231376803000 | B-1 (Community Downtown) | 0.73 |
| 57 | 273492205000 | B-1 (Community Downtown) | 3.65 |
| 58 | 234391457000 | B-3 (Community Retail Commercial) | 3.01 |
| 59 | 232375627000 | CDD (Crescent District – Commercial) | 7.55 |
| 60 | 232377166000 | CDD (Crescent District Mixed Use) | 19.66 |
| 63 | 189378431000 | B-3 (Community Retail Commercial) | 2.86 |
| 64 | 149453326000 | B-3 (Community Retail Commercial) | 1.95 |
| 65 | 149457258000 | B-3 (Community Retail Commercial) | 1.79 |
| 66 | 149459235000 | B-3 (Community Retail Commercial) | 1.79 |

²³⁶ Leesburg Zoning Application TLZM-2018-0001 & TLSE-2018-0001, available at <https://www.leesburgva.gov/Home/Components/FacilityDirectory/FacilityDirectory/247/5740>

| Table 37: Vacant Commercial or Industrial Parcels in the Town | | | |
|--|--------------|--------------------------------------|---------|
| ID # | PIN | Zoning | Acreage |
| 67 | 148475479000 | B-3 (Community Retail Commercial) | 2.28 |
| 68 | 232369443000 | CDD (Crescent District – Commercial) | 0.29 |
| 73 | 188165193000 | CDD (Crescent District Mixed Use) | 1.28 |
| 74 | 189451369000 | CDD (Crescent District Mixed Use) | 0.31 |
| 75 | 234488819000 | I-1 (Industrial Research Park) | 1.69 |
| 76 | 233290512000 | PEC (Planned Employment Center) | 18.11 |
| 77 | 189103080000 | B-4 (Mixed-Use Business District) | 9.85 |
| 78 | 189106250000 | B-4 (Mixed-Use Business District) | 7.70 |
| 79 | 148151619000 | B-4 (Mixed-Use Business District) | 14.39 |
| Total | | | 234.17 |

Four parcels (32.07 acres) are in advanced stages of development. Parcel ID No. 33 (7.73 acres) is subject to a rezoning application and is proposed to be developed as the Liberty Hotel.²³⁷ Parcel ID No. 58 (3.01 acres) is subject to a rezoning application and is proposed to be developed as a self-storage facility.²³⁸ A 5.28 acre portion of Parcel No. 79 subject to a rezoning application and is proposed to be developed as a Lidl Grocery Store.²³⁹ Additionally, the Town purchased Property ID No. 32 (16.05 acres) for the expansion of its adjacent public works facilities.²⁴⁰

Several additional parcels (91.83 acres) are also in earlier stages of development. The Leegate development (Parcel ID Nos. 77, 78, and 79, totaling 31.94 acres) is currently approved for 443,000 square feet of office or employment uses, 187,000 square feet of commercial uses, and

²³⁷ Leesburg Zoning Applications TLZM-2022-0004 & TLSE-2022-0004, available at <https://www.leesburgva.gov/Home/Components/FacilityDirectory/FacilityDirectory/411/2362?backlist=%2fdepartments%2fplanning-zoning%2fliam-interactive-applications-map>

²³⁸ Leesburg Zoning Application TLSE-2022-0003, available at <https://www.leesburgva.gov/Home/Components/FacilityDirectory/FacilityDirectory/401/2362?backlist=%2fdepartments%2fplanning-zoning%2fliam-interactive-applications-map>

²³⁹ Leesburg Zoning Application TLZM-2022-0005, available at <https://www.leesburgva.gov/Home/Components/FacilityDirectory/FacilityDirectory/403/2362?backlist=%2fdepartments%2fplanning-zoning%2fliam-interactive-applications-map>

²⁴⁰ Russell Seymour, Leesburg Economic Development Department; Amy Wyks, Utilities Department.

a 140-room hotel.²⁴¹ The Crescent Parke development (Parcel ID Nos. 59 and 60, totaling 27.21 acres) is currently approved for 161,000 square feet of commercial uses.²⁴² The Oaklawn development (Parcel ID Nos. 30 and 31 totaling 32.68 acres) is currently approved for commercial uses, including industrial flex space.²⁴³ Each of these developments has been approved by the Town and are subject to approved development plans, concept plans, and/or proffered conditions.

Additionally, 22.98 acres of vacant land (Parcel ID Nos. 27, 67, 68, 74, and 76) may face development hurdles—including being located in the flight path for Leesburg Executive Airport, small or irregular parcel shape, or being partially in the flood plain.

While there are 234.17 acres of land classified as vacant, 125.77 acres of this land is currently in various stages of development, and another 22.98 acres face hurdles that may impede commercial or industrial development. Therefore, there are only approximately 100 acres of commercial and industrial land in the Town is vacant and potentially available for development.

As Compass Creek is zoned entirely for either commercial or industrial uses, the Town has not analyzed the need for vacant land for residential development. There is nevertheless a strong demand for vacant land for residential development in the Town. For example, the Town has approved the development of over 1,800 new residential units as of March 2022, of which a majority are multi-family units.²⁴⁴ Over the past ten years, property owners have filed six applications to rezone property from commercial or industrial uses to residential zoning; all six

²⁴¹ Town of Leesburg Ordinance No. 2016-O025 (December 13, 2016); *see also* Leesburg Zoning Applications TLZM-2013-0001 & TLSE-2013-0003, 0004, 0014, *available at* <https://www.leesburgva.gov/Home/Components/FacilityDirectory/FacilityDirectory/62/2362?npage=3>

²⁴² Town of Leesburg Ordinance No. 2016-O024 (November 29, 2016); *see also* Leesburg Zoning Application TLZM-2013-0006, *available at* <https://www.leesburgva.gov/Home/Components/FacilityDirectory/FacilityDirectory/64/2311?npage=2>

²⁴³ Town of Leesburg Ordinance No. 2014-O025 (August 12, 2014).

²⁴⁴ Town of Leesburg, Development Activity Report, March 2022, pp. 2, 3.

applications were approved.²⁴⁵ This pattern illustrates the significant competition that vacant land zoned for commercial or industrial uses faces from residential developers in the Town.

2. The Town’s Historic Demand for Commercial and Industrial Land.

a. The 1983/1984 Annexation

The Town has experienced a consistent demand for land available for industrial and commercial uses over the past 40 years. Prior to the 1984 annexation, the Town’s corporate limits included 3.75 square miles (approximately 2,407 acres). At the time, 41% of the this area (987 acres) was vacant or devoted to agricultural uses. The 1984 annexation brought 7.17 square miles (approximately 4,805 acres) into the Town, of which approximately 80% was vacant or devoted to agricultural uses.²⁴⁶

The 1986 Town Plan reported that this annexation resulted in 4,898 acres of vacant or agricultural land in the Town that was available for development—67% of the Town’s total land area.²⁴⁷ The Town noted that the vacant land in the Town and the 1984 annexation area was “under increasing development pressure as the metropolitan economy continues to expand westward.”²⁴⁸

b. Subsequent development in the Town.

By 1996, approximately 1,500 acres of previously vacant land in the Town had been developed. Thus, only 3,311 acres (44.5%) of the Town’s land was available for development.²⁴⁹ The Town noted that there was significant ongoing development activity—the Town had approved 135 acres of commercial, office, and industrial development that was in the process of

²⁴⁵ See, e.g., Leesburg Development Activity Report (March 2022), at 5.

²⁴⁶ Commission on Local Government, Report on the Town of Leesburg-County of Loudoun Annexation Agreement, at 10-11 (March 1983).

²⁴⁷ Town of Leesburg, 1986 Town Plan, at 63.

²⁴⁸ *Id.* at 3.

²⁴⁹ Town of Leesburg, 1997 Town Plan, at 6-2.

construction, with another 1,299 acres of such development preliminarily approved by the Town.²⁵⁰

In 2005, the Town Plan noted the diminishing availability of vacant land.²⁵¹ Over the preceding decade, the amount of vacant land had decreased by 50%.²⁵² By 2012, the Town Plan reported that only 19% of the Town's land area—1,516 acres—remained undeveloped.²⁵³

c. Recent development in Town.

The demand for land for commercial and industrial uses has continued in recent years. In 2018, the Town approved a development of approximately 160,000 square foot industrial flex space at the Leesburg Tech Park, located to the east of Compass Creek along Sycolin Road.²⁵⁴ Construction of all four buildings is now complete. In 2021, the Town approved the expansion of the EPL Archives facility to add an additional 140,000 square feet of flex space.²⁵⁵ In 2022, the Town approved a 70,000 square foot expansion of an industrial flex space facility at Oaklawn.²⁵⁶

These developments are part of approximately 5.5 million square feet of retail, commercial, office and industrial development in the Town which has occurred from 2001 through 2019.²⁵⁷ Given this history of development, the 2022 Town Plan, Legacy Leesburg, reported that “[m]ost of Leesburg within the corporate limits is built out.”²⁵⁸ Only 234.17 acres of vacant land are potentially available for commercial and industrial development within the Town.

²⁵⁰ *Id.* at 6-12.

²⁵¹ Town of Leesburg, 2005 Town Plan, at 34.

²⁵² *Id.* at 34.

²⁵³ Town of Leesburg, 2012 Town Plan, at 6-2.

²⁵⁴ Leesburg Development Activity Report (March 2021).

²⁵⁵ Leesburg Development Activity Report (March 2022), at 12.

²⁵⁶ *Id.*

²⁵⁷ Loudoun County, 2019 County Plan, at 119.

²⁵⁸ Town of Leesburg, 2022 Legacy Leesburg Town Plan, at 30-31.

d. Recent development in Compass Creek.

The Legacy Leesburg 2022 Town Plan includes Compass Creek and the Leesburg JLMA in the planning area.²⁵⁹ Legacy Leesburg reports that “[m]ost of the currently undeveloped land is located in the” JLMA.²⁶⁰ The lack of available land within the Town limits has resulted in increased development activity in the JLMA, specifically Compass Creek. The Town enabled this development by expanding Battlefield Parkway to serve this area, and making Town water and sewer service available to the properties in Compass Creek.

The 1997 Town Plan stated that construction of road improvements in the area was “essential for any significant development to occur in the portion of Leesburg’s [JLMA] designated for ‘business community’ land uses,” such as Compass Creek.²⁶¹ The construction of Battlefield Parkway, a four-lane arterial roadway in the vicinity of former Route 654, was recommended by the Commission on Local Government in its 1983 Report.²⁶² Between 1986 and 1995, the Town undertook planning for this new road, known as Battlefield Parkway.²⁶³ The 2005 Town Plan stated that construction and dedication of the portion of Battlefield Parkway to the north of Compass Creek would occur “as development occurs.”²⁶⁴ The Town undertook the development of Battlefield Parkway in phases; the segment to the north of Compass Creek was completed in 2008, and the stretch from Route 15 South (South King Street) to Fort Evans Road was completed in 2021. Battlefield Parkway serves as the only full access to Compass Creek.²⁶⁵

²⁵⁹ *Id.* at 8-9.

²⁶⁰ *Id.* at 30-31.

²⁶¹ Town of Leesburg, 1997 Town Plan, at 1-5.

²⁶² Commission on Local Government, Report on the Town of Leesburg-County of Loudoun Annexation Agreement, at 29 (Map D).

²⁶³ Town of Leesburg, 1986 Town Plan, at 116; Town of Leesburg, 1997 Town Plan, at 8-3, 8-2, 8-21.

²⁶⁴ Town of Leesburg, 2005 Town Plan, at 77; Town of Leesburg, 2012 Town Plan, at 9-13.

²⁶⁵ See Loudoun County Application Number: ZMAP-2012-0021 (Traffic Impact Study, at 71).

The Town's extension of water and sewer service was necessary for the development of Compass Creek. The developer of Compass Creek noted that Town water and sewer service were required for commercial development.²⁶⁶ Town water service was extended to Compass Creek during the expansion of Battlefield Parkway. In March 2015, the Town entered into an agreement with the developer to extend Town sewer service to Compass Creek. Town Council's June 23, 2015 Resolution then approved the provision of Town water and sewer service to Phase 1 of Compass Creek. Town Council's November 26, 2019, May 26, 2020, and August 11, 2020 Resolutions approved the provision of utilities to Phases 1 and 2 of the Microsoft development.

The Town's provision of street access and water and sewer service enabled the following commercial and industrial development in Compass Creek:

- A) The Ion International Training Center in 2018;
- B) Walmart "Supercenter" Store #1904 in 2019;
- C) The At Home store in 2020;
- D) The Compass Creek Commercial Area, including 5 restaurants, 3 office buildings, and, potentially, a hotel is under development;²⁶⁷ and
- E) The Microsoft data center campus.

The Walmart parcel exemplifies the trend towards development of vacant land in the Leesburg JLMA. For nearly 26 years, Walmart operated at 97,000 square foot store on 11.05 acres along Edwards Ferry Road in the Town. When Walmart sought open a new 187,000 square foot store serving the Leesburg community, a suitable parcel was not available within the Town's corporate limits. Therefore, Walmart purchased the 20.55 acre parcel in Compass Creek, and

²⁶⁶ See Loudoun County Application Number: ZMAP-2012-0012 (Statement of Justification).

²⁶⁷ Town of Leesburg Zoning Application No. TLPP-2020-0017.

developed it as the new Walmart “Supercenter” serving the Leesburg community. Walmart closed its old location in the Town on Tuesday, May 28, 2019 and opened the new Compass Creek location the following day.²⁶⁸ This development pattern reflects that significant commercial and industrial development is shifting away from the Town to surrounding areas, particularly the JLMA, due to the lack of vacant land in the Town limits.

3. The Town and County have planned for the expansion of the Town’s corporate limits .

a. Applicable provisions of the County’s plans.

For over thirty years, the Town and the County have planned on expanding Town’s corporate limits to include development made possible through the availability of Town water and sewer service. This concept originated in the County’s 1991 General Plan, which established “Annexation Agreement Guidelines” to “facilitate the annexation of properties in the Urban Growth Areas [now JLMAs] which are receiving town sewer and water services.”²⁶⁹ Annexation Guideline #1 provided:

It should be the intent of the County and of the Town that any property located within the Joint Land Management Area (as defined in the policies of this Plan) which is presently or would be served by Town sewer and/or water in accordance with the utility policies included in this Plan, should, in the future, be annexed by the Town.²⁷⁰

Similarly, Annexation Guideline #5 provided:

At such time as the County approves the rezoning and/or development proposal of a property in the Urban Growth Area,

²⁶⁸ Loudoun Now, New Walmart Supercenter Welcomes Shoppers (May 29, 2019), <https://loudounnow.com/2019/05/29/new-walmart-supercenter-welcomes-shoppers/>

²⁶⁹ Loudoun County, 1991 Choices and Changes General Plan, at 228.

²⁷⁰ *Id.*

which would require town and/or water service, such approval should constitute the County's approval of such annexation.²⁷¹

Therefore, the County envisioned that areas within the UGA (now JLMA) would be annexed by towns, including Leesburg, as development occurred requiring Town water and sewer service.

The County reiterated these provisions in its 2001 General Plan, which states that JLMA "boundaries set the limits of municipal water and sewer extension that the Towns control and mark the edge of future town limits."²⁷² The County also reiterated the Annexation Guidelines established under its 1991 General Plan.²⁷³ The County stated that

Annexation guidelines are key implementation tools. Annexation is a logical extension of the increased role played by Towns in the provision of public facilities, services, utilities and commercial products and services. Annexation will allow system providers a larger role in managing the services and facilities in each Town. Potentially annexation could result in the enhancement of the towns' tax revenues.²⁷⁴

Thus, County Growth Management Policy #8 provided: "As water and sewer are extended into a Town JLMA, *annexation of the area by the Town will be encouraged by the County.*"²⁷⁵

The County's 2019 Comprehensive Plan reaffirmed these general principles. Town Policy 1.2 states that the County will "[e]ncourage new development to locate within the Towns before moving into the JLMAs or surrounding area."²⁷⁶ To accomplish this policy, the County's Action D provides it will "[s]upport annexations by the Towns when water and sewer extend into a JLMA

²⁷¹ *Id.*

²⁷² Loudoun County, 2001 General Plan, at 199.

²⁷³ *Id.* at 224-25.

²⁷⁴ *Id.* at 201.

²⁷⁵ *Id.* at 201 (emphasis added).

²⁷⁶ Loudoun County, 2019 General Plan, at 2-118.

in accordance with the annexation guidelines in this section and to resolve jurisdictional questions for property owners.”²⁷⁷

b. Applicable provisions of the Town’s plans.

The Town’s plans have recognized the JLMA “will serve as an area for town growth and it will gradually and ultimately be annexed into the corporate limits.”²⁷⁸ Like Loudoun’s Annexation Guidelines, the Town’s Land Use General Objective 10 established the provision of water and sewer service to development in the JLMA as the trigger for annexation: “As property owners request central utility service, and the Town agrees to extend central utilities to such properties in the JLMA, the Town will anticipate that these properties will be incorporated into the Town.”²⁷⁹ Similarly, the Town’s Services General Objective 7 provided: “Extension of sewer and water service by the Town to areas outside the Town limits will be considered as a ground for annexation of those areas.”²⁸⁰

The 2022 Town Plan, Legacy Leesburg, also states the expectation that properties in the JLMA served by Town water and sewer would come into the Town.²⁸¹ Legacy Leesburg identifies Compass Creek as the priority area for incorporation into the Town’s corporate limits,²⁸² and recommended the annexation of Compass Creek “for the purposes of economic development and local tax base increases.”²⁸³

²⁷⁷ *Id.*

²⁷⁸ Town of Leesburg, 2012 Town Plan, at 6-8.

²⁷⁹ *Id.*

²⁸⁰ *Id.* at 10-4.

²⁸¹ Town of Leesburg, 2022 Legacy Leesburg Town Plan, at 70.

²⁸² *Id.*

²⁸³ *Id.* at 202.

c. The Town and County have agreed to boundary adjustments in Compass Creek.

Consistent with the longstanding Annexation Guidelines, the Town and the County have agreed to boundary adjustments in the JLMA—specifically, Compass Creek—once the Town’s provision of water and sewer service has enabled development.

Pursuant to the June 23, 2015 Resolution, Town Council approved out-of-town water and sewer service to Compass Creek Commercial Center Phase I, which included the ION International Training Center.²⁸⁴ This facility opened on June 15, 2019.²⁸⁵ Consistent with the County and the Town’s annexation guidelines, on April 28, 2020, the portion of the ION Center property in the County and a nearby commercial area (now being developed for restaurants, office buildings, and a hotel) were incorporated into the Town by boundary adjustment on April 28, 2020.

The Town Council’s June 23, 2015 Resolution also approved out-of-town water and sewer service to the Walmart, At Home, and CC Outparcel properties in Compass Creek. Walmart opened in 2019, and At Home opened in 2021. Town Council approved a boundary adjustment bringing these parcels into the Town on October 12, 2021.²⁸⁶ The County Board of Supervisors approved this boundary adjustment on April 13, 2022.²⁸⁷ While the County has not followed through with completing the boundary adjustment approved by the Board of Supervisors, this second boundary adjustment is nevertheless consistent with the County and the Town’s annexation guidelines.

²⁸⁴ Town Council Resolution No. 2015-072 (June 23, 2015).

²⁸⁵ Loudoun Time-Mirror, State-of-the-art ION International Training Center to open in Leesburg this weekend (Aug. 13, 2019), https://www.loudountimes.com/entertainment/state-of-the-art-ion-international-training-center-to-open-in-leesburg-this-weekend/article_680f6230-86f2-11e9-96bb-57e5808feefd.html

²⁸⁶ Town Council Resolution No. 2021-156 (Oct. 12, 2021).

²⁸⁷ County Board of Supervisors, In re: Boundary Line Adjustment Between the Town of Leesburg and Loudoun County (Catocin) (Apr. 13, 2022).

d. The annexation of Compass Creek is consistent with the County and the Town Annexation Guidelines.

The Town's provision of water and sewer service has enabled the development of the Microsoft parcel and the Leesburg Commercial parcels for data center uses, as discussed above in Section X(C). The Town agreed to provide water and sewer service to the Leesburg Commercial parcel as part of the Compass Creek Commercial Center development via the Town Council's June 23, 2015 Resolution.²⁸⁸ The Town agreed to provide water and sewer service to the Microsoft parcel, including all phases of the development, through Town Council Resolutions, dated November 26, 2019, May 26, 2020, and August 11, 2020.²⁸⁹ The November 26, 2019 Resolution provides:

Based on the extensions of Town water and sanitary sewer service to Microsoft Phase I, the Town anticipates that the Microsoft Phase I area will be incorporated into the Town boundaries in the future, either by Boundary Line Agreement or Annexation, and as provided for in the Town Plan.²⁹⁰

The May 26, 2020 and August 11, 2020 Resolutions contain similar provisions.²⁹¹ Given that the Town has enabled the development of the Microsoft parcel, and the future development of the Leesburg Commercial parcel for industrial uses, the annexation of these parcels is consistent with the County's and Town's longstanding Annexation Guidelines.

4. Conclusion.

The Town needs to obtain land for industrial and commercial uses. There is little vacant land in the Town that is suitable and developable for commercial and industrial uses. The Town played a critical role in the development of Compass Creek, including the Annexation Area. The

²⁸⁸ Town Council Resolution No. 2015-072.

²⁸⁹ Town Council Resolution Nos. 2019-180, 2020-066, and 2020-089.

²⁹⁰ Town Council Resolution No. 2019-180, ¶ 10.

²⁹¹ See Town Council Resolution No. 2020-066, ¶ 11; Town Council Resolution No. 2020-089, ¶ 11.

development of Compass Creek would have been impossible without the extension of Battlefield Parkway and the availability of Town water and sewer services. The annexation of the remaining parcels in Compass Creek is, therefore, consistent with the County and the Town's longstanding Annexation Guidelines, and will bring into the Town significant areas under development and suitable for development for commercial and industrial uses.

Notes: Values in the revenue and expenditure analysis are rounded to the nearest cent.

Sources: Documents as referenced in footnotes.

Kaj H. Dentler, Town Manager; Office of the Town Manager

Russell Seymour, Director, Economic Development.

Cole Fazenbaker, Town Management and Budget Officer.

Ann Harranty Shawver, CPA, PLLC.

John Bachmann, Stantec.

Mark B. Jinks.

Section XII: Impact on County

Pursuant to 1 Va. Admin. Code § 50-20-540(16-18), Leesburg provides the following data and other evidence concerning the effect on the County.

A. No adverse effect on the County’s land area.

The annexation of the remainder of Compass Creek will not result in the County’s loss of land area, as the Town remains a part of the County. *See* Town of Leesburg Charter, § 1-2.

B. No material adverse effect on the County’s tax resources.

The County will continue to collect real estate, personal property and other County taxes from the Annexation Area. The only exception is the County BPOL tax, which cannot be levied in the Town. *See* Va. Code Ann. § 58.1-3711(A). Accordingly, the County will not collect approximately \$324,691 in BPOL tax from the Annexation Area.

Adjusting for the difference in BPOL tax rates between the County²⁹² and the Town,²⁹³ the County will not collect approximately \$118,929 in BPOL tax from the Walmart parcel and \$6,755 in BPOL tax from the At Home parcel. Once the CC Outparcel property is developed, the County will not have the opportunity to collect approximately \$1,998 in BPOL tax from the restaurant thereon.

According to the County’s “conservative” data center revenue model, the County’s BPOL tax revenue is \$0.16 per square foot. The County will not receive approximately \$165,009 in BPOL tax from the Microsoft parcel and \$32,000 from the Leesburg Commercial parcel, once fully developed as data centers.

²⁹² The County’s BPOL tax rate for general business services is \$0.17 per \$100 in gross receipts. *See* Loudoun County, Business Tax Rates, <https://www.loudoun.gov/1570/Business-Tax-Rates>.

²⁹³ The Town’s BPOL tax rate for is \$0.20 per \$100 in gross receipts. *See* Town of Leesburg, Tax Rates, <https://www.leesburgva.gov/departments/finance/taxes-fees/tax-rates-and-fees>.

| Table 37: Projected BPOL Impact from Microsoft Parcel | | | |
|--|-------------------------------|----------------|-------------|
| Year | County BPOL Taxes per Sq. Ft. | Square Footage | County BPOL |
| 2023 | \$0.16 | 273,624 | (\$43,780) |
| 2024 | \$0.16 | 518,337 | (\$82,934) |
| 2025 | \$0.16 | 749,255 | (\$119,881) |
| 2026 | \$0.16 | 1,031,305 | (\$165,009) |
| 2027 | \$0.16 | 1,031,305 | (\$165,009) |
| 2028 | \$0.16 | 1,031,305 | (\$165,009) |
| 2029 | \$0.16 | 1,031,305 | (\$165,009) |
| 2030 | \$0.16 | 1,031,305 | (\$165,009) |
| 2031 | \$0.16 | 1,031,305 | (\$165,009) |
| 2032 | \$0.16 | 1,031,305 | (\$165,009) |

This will have a negligible effect—only a 0.77% decrease—in the County’s BPOL tax revenue, given that the County’s annual BPOL revenue was over \$42 million for fiscal year 2021.²⁹⁴

C. No adverse effect on the County’s agricultural operations.

The entirety of the Annexation Area is zoned for industrial (PD-IP) or commercial (PD-CC-SC) uses. Accordingly, there will be no impact on the County’s agricultural operations.

- Sources: Documents as referenced in footnotes.
- Kaj H. Dentler, Town Manager; Office of the Town Manager
- Russell Seymour, Director, Economic Development.
- Cole Fazenbaker, Town Management and Budget Officer.
- Ann Harrity Shawver, CPA, PLLC.
- John Bachmann, Stantec.

²⁹⁴ Loudoun County Annual Comprehensive Financial Report year ended June 30, 2021, at Table E.

Section XIII: Community of Interest

Pursuant to 1 Va. Admin. Code § 50-20-540(12), Leesburg provides the following evidence concerning the community of interest that exists between the Annexation Area and the Town.

Compass Creek serves as a gateway to the Town, and is situated along a primary access point to the Town, Battlefield Parkway. Compass Creek is a peninsula of land situated between the Town-owned Leesburg Executive Airport to the east, the Dulles Greenway to the west, Shreve Mill Road to the South, and Battlefield Parkway to the North. Town residents work in Compass Creek, and shop at its businesses.

Compass Creek itself is a single “neighborhood.” The April 2020 boundary adjustment between the County and the Town have brought the northern portion of Compass Creek into the Town’s corporate limits, and the Annexation Area comprises the remaining portion of Compass Creek. The Annexation Area is indistinguishable from the existing Town boundaries within Compass Creek. Indeed, the Annexation Area is a natural extension of the southern boundary of the Town that conforms to existing manmade boundaries formed by the Dulles Greenway, the Leesburg Executive Airport, and Shreve Mill Road.

The Annexation Area is closely associated with the Town. It is generally located within the “Leesburg Commercial” subdivision, and each property has a Leesburg street address. The Town serves the Annexation Area with Town utilities, and it is accessed through Town streets. The Town has participated in joint planning for Compass Creek, including the Annexation Area. As such, a strong community of interest that exists between the Town and the Annexation Area; the Annexation Area already feels like a natural part of Leesburg.

Sources: Kaj H. Dentler. Town Manager.

Russell Seymour, Director, Economic Development.

Section XIV: Compliance with State Policies

Pursuant to 1 Va. Admin. Code § 50-20-540(11), Leesburg provides the following data and other evidence concerning the efforts made by the Town and the County to comply with applicable state policies concerning environmental protection, public planning, education, public transportation, housing, and other state service policies promulgated by the General Assembly.

A. Environmental Protection.

The Town is committed to preserving its environmental resources and establishing itself as a sustainable community. The Town has addressed and emphasized its environmental policies and planning in its 2022 Town Plan, Legacy Leesburg.²⁹⁵ The Town's Adopted Fiscal year 2023 Budget articulates the Town's policies and practices to increase energy savings and recycling.²⁹⁶

The Town has established the Town of Leesburg Environmental Advisory Commission to promote and protect the environmental interests of the Town.²⁹⁷ The Commission reviews Town planning and policy documents as they relate to the environment, conducts an annual environmental awards program, and advises the Town Council on Town environmental concerns. The Commission has seven members appointed by the Town Council and a Town Council liaison. The Town's Department of Planning and Zoning supports the Commission's work.

The Town has established the Town of Leesburg Tree Commission.²⁹⁸ The Tree Commission provides leadership to enhance, expand and preserve the tree canopy in the Town for the benefit of the community. The Tree Committee is dedicated to promoting tree preservation and

²⁹⁵ Town of Leesburg, 2022 Legacy Leesburg Town Plan, at 35, 94, 100-101, 155-162.

²⁹⁶ Town of Leesburg, Adopted Fiscal Year 2023 Budget & Fiscal Years 2023-2028 Capital Improvements Program, at 100, 101.

²⁹⁷ Town of Leesburg, Environmental Advisory Commission, <https://www.leesburgva.gov/government/boards-commissions/environmental-advisory-commission>

²⁹⁸ Town of Leesburg, Tree Commission, <https://www.leesburgva.gov/government/boards-commissions/tree-commission>

planting within the Town, providing a healthy and diverse tree canopy, and ensuring a superior quality of life for Town residents through the ecosystem benefits which trees provide. The Tree Committee has seven members appointed by Town Council and a Town Council liaison.

The Town also administers the Town of Leesburg Urban Forestry Management Program through the Department of Public Works.²⁹⁹ The Town developed an Urban Forestry Management Plan, in place since February 2006, with the goal of enhancing and expanding the tree canopy in the Town.³⁰⁰

The Town administers its stormwater management program pursuant to a Municipal Separate Storm Sewer System (“MS4”) Program permit issued by the Virginia Department of Environmental Quality. The Town has met and exceeded requirements for reducing stormwater pollutants, including nitrogen, phosphorous and suspended sentiments.³⁰¹

The Town is a member of Northern Virginia Clean Water Partners (“NVCWP”).³⁰² This program works to reduce pollution that reaches local creeks and rivers through stormwater runoff. The NVCWP administers “Only Rain Down the Drain” education and outreach program on stormwater management issues. The Northern Virginia Regional Commission supports the NVCWP.

B. Public Planning.

The Town has consistently engaged in long-term public planning as required by Title 15.2, Article 3 of the Code of Virginia. The Town reviews its comprehensive plans annually, and

²⁹⁹ Town of Leesburg, Urban Forestry, <https://www.leesburgva.gov/departments/public-works/urban-forestry>

³⁰⁰ Town of Leesburg, Urban Forestry Management Plan (Feb. 28, 2006), *available at* <https://www.leesburgva.gov/home/showpublisheddocument/1003/635694643707530000>

³⁰¹ Town of Leesburg, Phase II Municipal Separate Storm Sewer System (MS4) Program Fiscal Year 2021 Annual Report, at 24, *available at* <https://www.leesburgva.gov/home/showpublisheddocument/37061/637738721803930000>

³⁰² Clean Water Partners, Our Partners, <https://www.onlyrain.org/partners>

publishes an updated Town Plan approximately every ten years. The Town adopted a new Comprehensive Plan, Legacy Leesburg, in March 2022. The Town has adopted, administered and implemented its comprehensive plan documents including those adopted in 1986, 1997, 2005, and 2012.

In addition to the Town's Comprehensive Plan, the various Town departments also engage in strategic planning efforts. Town publishes a Capital Improvements Program outlining planned capital improvements.³⁰³ The Department of Utilities develops and publishes a five-year strategic plan; the current plan sets forth the Department's mission, policies, and goals for 2019-2024.³⁰⁴ The Department of Utilities is currently developing a Water Plant Master Plan and Conditions Assessment and the Water Pollution Control Facility Master Plan and Conditions Assessment for improvements to its water and sewer treatment facilities.³⁰⁵ The Airport develops and publishes a Master Plan for the Leesburg Executive Airport; the current Master Plan Update was published in December 2018 and sets out the Airport's capital development priorities through 2038.³⁰⁶ The Parks and Recreation Department develops and publishes both a short term Strategic Plan,³⁰⁷ and comprehensive 20-year master plan.³⁰⁸ The Town also undertakes planning efforts for discrete

³⁰³ Town of Leesburg, Fiscal Year Capital Improvements Program, *available at* <https://www.leesburgva.gov/home/showpublisheddocument/38270>

³⁰⁴ Town of Leesburg, Department of Utilities Strategic Plan Fiscal years 2019 to 2024, *available at* <https://www.leesburgva.gov/home/showpublisheddocument/11810/636885905991630000>

³⁰⁵ Town of Leesburg, Fiscal Year Capital Improvements Program, at 247.

³⁰⁶ Town of Leesburg, Leesburg Executive Airport Master Plan Update (Dec. 2018), *available at* <https://www.leesburgva.gov/home/showpublisheddocument/31682/636994020234500000>

³⁰⁷ Town of Leesburg, Parks and Recreation Department Strategic Plan 2020 – 2024, *available at* <https://www.leesburgva.gov/home/showpublisheddocument/36386/637589114586070000>

³⁰⁸ Town of Leesburg, Comprehensive 20-year Parks, Recreation, Open Space, Trails, and Greenways Master Plan (2017 Update), *available at* <https://www.leesburgva.gov/home/showpublisheddocument/36384/637589113880730000>

areas within the Town, including the Crescent District,³⁰⁹ Eastern Gateway District,³¹⁰ and Transportation Improvements.³¹¹

C. Education.

Loudoun County Public Schools provide education services and facilities for Town residents. The Leesburg electoral district elects a member to serve on the Loudoun County School Board, and represent the interests of Leesburg area students and schools.³¹²

D. Public Transportation.

The Town is a party to a May 21, 2014 Memorandum of Understanding (“MOU”) with the County to provide public transit service for Leesburg residents. The Town financially supports public transit services provided by Loudoun County pursuant to this MOU, including appropriating \$320,000 in funding for regional transportation for fiscal year 2023.³¹³

As set forth in the 2012 Town Plan, the Town has undertaken to design and construct bus shelters at all existing bus stops throughout the Town.³¹⁴ The Town is responsible for the installation of bus stop signs. The Town and the County share maintenance responsibilities.

³⁰⁹ Town of Leesburg, Crescent District Master Plan (June 27, 2006), *available at* <https://www.leesburgva.gov/home/showpublisheddocument/1508/635477178326200000>

³¹⁰ Town of Leesburg, Eastern Gateway District Small Area Plan (Mar. 10, 2020), *available at* <https://www.leesburgva.gov/home/showpublisheddocument/33264/637206625823370000>

³¹¹ Town of Leesburg, Transportation Improvement Plan (Mar. 22, 2022), *available at* <https://www.leesburgva.gov/home/showpublisheddocument/37580/637829527661770000>

³¹² *See* Loudoun County Public Schools, School Board Member, Leesburg District, <https://www.lcps.org/Page/226033>

³¹³ Town of Leesburg, Adopted Fiscal Year 2023 Budget & Fiscal Years 2023-2028 Capital Improvements Program, at 103.

³¹⁴ Town of Leesburg, Bus Shelters – Townwide, <https://www.leesburgva.gov/departments/capital-projects/current-projects/streets-projects/bus-shelters-townwide>; *see also* Town of Leesburg, Adopted Fiscal Year 2022 Budget & Fiscal Years 2022-2027 Capital Improvements Program, at 189, *available at* <https://www.leesburgva.gov/home/showpublisheddocument/31942/637650657579830000>

The 2022 Legacy Leesburg Town Plan addresses policies to improve walkability and pedestrian travel in the Town.³¹⁵ The Town has established and maintains walking trails in the Town including the Tuscarora Creek Trail, the Veterans Park at Balls Bluff, and the Catoctin Circle Trail.

E. Housing.

The Town Zoning Ordinance implements Virginia Code § 15.2-2304 and provides for an affordable dwelling unit program to assist in providing housing to persons of moderate income. The Town Zoning Ordinance provides for an incentive for the development of affordable dwelling units by allowing increased density for single family and multi-family projects that include a significant affordable dwelling unit component.³¹⁶

The Town administers the Affordable Dwelling Unit Program through a “Memorandum of Agreement between the County of Loudoun and the Town of Leesburg Regarding Acceptance and Administration of Affordable Dwelling Units in the Town of Leesburg,” dated May 29, 2008 (“MOA”). Under the terms of this MOA, the County administers the Town’s Affordable Dwelling Unit program.

The 2022 Legacy Leesburg Town Plan includes specific goals and strategies to promote the development of affordable housing and the maintenance of existing affordable housing.³¹⁷ The Town is in the process of implementing the Legacy Leesburg strategies through the development of an Affordable Housing Strategic Plan. The Town Council has held multiple work sessions on affordable housing issues, most recently in May 2022.

³¹⁵ Town of Leesburg, 2022 Legacy Leesburg Town Plan, at 94-95, 104-105, 126, 128-129, 136-138.

³¹⁶ Town Zoning Ordinance § 3.17.

³¹⁷ Town of Leesburg, 2022 Legacy Leesburg Town Plan, at 126-127, 130, 132-133.

The Town has also approved new residential development projects to meet housing needs.³¹⁸ As of March 2022, the Town has approved the development of over 1,800 new residential units. A majority of the approved new residential development are multi-family units.³¹⁹

Sources: Documents as referenced in footnotes

Kaj H. Dentler, Town Manager; Office of the Town Manager

Amy Wyks, Director of Utilities.

Renee LaFollette, Director of Public Works and Capital Projects.

³¹⁸ 2022 Legacy Leesburg Town Plan, Principle 3; Places to Live-Enhancing and Improving Home Choices, pp. 124-128.

³¹⁹ Town of Leesburg, Development Activity Report, March 2022, pp. 2, 3.

Section XV: Cooperative Agreements

Pursuant to 1 Va. Admin. Code § 50-20-540(13), Leesburg provides the following evidence concerning the cooperative agreements between the Town and the County.

The Town and the County have entered into many cooperative agreements, both formal and informal, to benefit the citizens of both localities, primarily with respect to planning, zoning, and utilities.

A. Cooperation in JLMA Planning.

The Town and the County have historically cooperated in the planning for the Leesburg JLMA, including Compass Creek. The County's 1991 General Plan established an Urban Growth Area (subsequently renamed JLMA) around Leesburg.³²⁰ The purpose of this designation was to "improve coordination on land use, annexation and other matters affecting" these areas. This included cooperation in the review of rezoning applications in a Urban Growth Area (*i.e.*, JLMA), and the designation of the Town as the water and sewer service provider in this area. The County Plan also stated that annexation was "a key implementation tool. Annexation is a logical extension of the increased role played by towns in the provisions of public facilities, services, utilities and commercial products and services."³²¹ Indeed, the County Plan further stated: "As water and sewer is extended into the Town Urban Grown Area, annexation of the area by the town will be encouraged by the County."³²² These provisions were reiterated in the County's 2001 General Plan.³²³

³²⁰ Loudoun County, 1991 Choices and Changes General Plan, at 125.

³²¹ *Id.* at 126.

³²² *Id.* at 127.

³²³ Loudoun County, 2001 General Plan, at 199-201.

Consistent with the annexation provisions of the County's 1991 and 2001 General Plans, the Town and the County have also cooperated on boundary adjustments to the Town's corporate limits. This includes the April 28, 2020 boundary adjustment involving Compass Creek, including the portion of the ION Center property that was in the County as well as a nearby commercial area now being developed for restaurants, office buildings, and a hotel.

B. Cooperation in Zoning and Land Use.

As provided in the County's 1991 and 2001 General Plans, the Town and the County cooperate on zoning and land use matters involving the Leesburg JLMA. The County refers each application for a zoning amendment involving property in the Leesburg JLMA to the Town for review and comment.³²⁴ The Town reviews each such application for compliance with the Town's Comprehensive Plan, including, but not limited to, its provisions related to land use, utilities, public works/transportation, and design standards. The Town makes a recommendation to the County regarding the approval or denial of the application. Pursuant to this joint planning effort, the Town has reviewed and provided recommendations on each of the four rezoning applications involving properties in Compass Creek, including the Annexation Area, as further detailed in Section X(B)(5).³²⁵

C. Cooperation in Utilities.

The Town and the County have also coordinated in providing water and sewer service to properties in the JLMA, including Compass Creek. As stated in the County's 1991 and 2001 General Plans, the Town is the exclusive provider of water and sewer service in the JLMA. Pursuant to this joint planning, the Town invested millions of dollars to extend its water and sewer

³²⁴ County 1993 Zoning Ordinance, Sec. 6-1204.

³²⁵ Loudoun Zoning Applications ZMAP-2005-0011, ZMAP-2008-0009, ZMAP-2012-0021, ZMAP-2021-0012.

infrastructure to the JLMA, including Compass Creek. The Town is the exclusive provider of water and sewer service to Compass Creek, including the Annexation Area. The Town's extension of water and sewer service to Compass Creek enabled the development of this area, including the data center campus on the Microsoft parcel and the planned construction of a data center on the Leesburg Commercial parcel. Additionally, the Town provides water and sewer service to County facilities and schools located within the JLMA.

D. The County's change of position in 2019.

Beginning in 2019, however, the County began to depart from this longstanding pattern of cooperation. In June 2019, the County unexpectedly added a last-minute revision to its 2019 Comprehensive Plan. This revision changed several longstanding provisions that addressed utility service in the Leesburg JLMA and the annexation guidelines. As originally drafted, the County's 2019 Comprehensive Plan contained provisions that reiterated the Leesburg JLMA utility and annexation policies that were present in the 1991 and 2001 County General Plans. The County Board of Supervisors conducted public hearings regarding this draft plan, that maintained the former policies on the Town's provision of utilities to the JLMA and corresponding annexation guidelines, on April 24, 2019 and April 27, 2019.

However, on June 5, 2019, the County Board of Supervisors held a work session during which the County revised provisions addressing Leesburg's water and sewer service in the JLMA, and revised the longstanding Annexation Guidelines to exclude Leesburg. For example, the County's draft 2019 Annexation Guidelines state:

1. Notwithstanding anything else in this Plan to the contrary, there shall be a presumption that land in the Leesburg Joint Land Management Area, which can be served by the central system, shall remain in the County and not be brought into the corporate boundaries of the Town.

2. **With the exception of the Leesburg JLMA**, the Town and the County should only honor requests for the extension of municipal sewer and/or water services outside the Town’s corporate limits, within the designated JLMA when the beneficiaries of such service provide written acknowledgement of the right of the Town Council to annex the subject properties. . . .
5. **With the exception of the Leesburg JLMA**, when the County approves the rezoning and/or development proposal of a property in the JLMA, which would require municipal sewer and/or water service, such approval should constitute the County’s approval of annexation. At the time of such approval, the County should also provide the Town with written consent of annexation.³²⁶

The County did not notify the Town that it was arbitrarily reversing over 30 years of longstanding County and Town policy and cooperation. Instead, on June 20, 2019, the County Board of Supervisors approved the newly revised plan without the statutorily required notice and public hearing.

The Town brought a lawsuit against the County challenging its failure to follow the statutorily-required process for notice, publication, and hearing on a comprehensive plan.³²⁷ At the request of the County, the Town did not serve the lawsuit to allow discussions to address these issues. The County later terminated the discussions.

In October 2021, consistent with the longstanding annexation provisions of the County’s 1991 and 2001 General Plans, the Town initiated discussions regarding a second boundary adjustment concerning the Walmart, At Home, and CC Outparcel properties. Both Town Council and the County Board of Supervisors approved this second boundary adjustment in October 12, 2021 and April 13, 2022, respectively. Thereafter, the County has not implemented the direction of the County Board of Supervisors. Given the County’s failure to complete the second boundary

³²⁶ Loudoun County, 2019 General Plan, at 2-132

³²⁷ *Town of Leesburg v. Loudoun County*, Case No. 19-1769.

adjustment, the Town has included these parcels—the Walmart, At Home, and CC Outparcel properties—in the present annexation. In the event the County continues to work with the Town to complete this second boundary adjustment, these parcels may be removed from this annexation.

In April 2022, Town Council requested a joint meeting with the County Board of Supervisors regarding the second boundary adjustment and “related revenue sharing for data centers in this area,” among other agenda items.³²⁸ This joint meeting occurred on April 28, 2022.³²⁹ The discussion focused on properties in Compass Creek and the Town’s essential role in the development of Microsoft’s data centers. The meeting also recounted the history of prior negotiations regarding an agreement in which the County would share with the Town personal property tax revenues from the Microsoft development. Town Council and the County Board of Supervisors both agreed to two members of each the Town and County to reconvene negotiations. Since the April 28, 2022 joint meeting, Town staff has made several requests to commence these negotiations.

Thus, the Town has endeavored to continue its longstanding cooperation with the County regarding planning in the JLMA, zoning and land use, and utilities. These efforts were specifically directed at properties in the Annexation Area, including the second boundary adjustment concerning the Walmart, At Home, and CC Outparcel properties as well as negotiations concerning the Microsoft property and data centers in Compass Creek.

³²⁸ Town Council Resolution 2022-044 (Apr. 12, 2022).

³²⁹ A video recording of this meeting is available at, https://loudoun.granicus.com/player/clip/6956?view_id=86&meta_id=210772&redirect=true&h=42befabb6692ede021e7eed95c07b9b8

E. Cooperation in other areas of government.

Outside of planning, zoning, and utilities, the Town and the County have a variety of cooperative agreements, including: a May 21, 2014 Memorandum of Understanding in which the County provides public transportation in the Town; a Memorandum of Agreement in which the County administers the Town's Affordable Dwelling Unit Program; a law enforcement Mutual Aid Agreement; the provision of school resource officers for Loudoun County Public Schools; and recently, the Town contracted, on a paid basis, for the County to administer its real property and personal property tax billing.

Sources: Kaj H. Dentler, Town Manager; Office of the Town Manager

Section XVI: Terms and Conditions

Pursuant to 1 Va. Admin. Code § 50-20-540(19), Leesburg provides the following terms and conditions for this annexation.

A. Overview.

On the effective date of the annexation, the Town will begin providing the full range of municipal services to the Annexation Area as it provides to other properties and businesses in the Town. As discussed below, public utility and street infrastructure has been constructed at no cost to the County. Therefore, a financial settlement under Code § 15.2-3211(4) is not appropriate.

B. Water and Sewer Service.

The Town has already constructed the infrastructure to provide water and sewer service to the Annexation Area. The Town Council's November 26, 2019, May 26, 2020, and August 11, 2020 Resolutions approved the extension of Town water and sewer service to the Microsoft parcel.³³⁰ Leesburg Commercial has submitted an application for Town water and sewer service for its parcel, and that application is currently under review. The Town is prepared to provide water and sewer service to the Leesburg Commercial property upon action by Town Council. Following annexation, the Annexation Area will be charged in-town rates for Town water and sewer service.

C. Planning and Zoning.

As the Annexation Area is part of the Leesburg JLMA, the Town has addressed this Area in its comprehensive plans since 1997.³³¹ Legacy Leesburg, the Town's 2022 Town Plan, contains specific provisions concerning Compass Creek and the Annexation Area.³³²

³³⁰ Town Council Resolution Nos. 2019-180, 2020-066, 2020-089.

³³¹ See Town of Leesburg, 1997 Town Plan, Sec. 1; Town of Leesburg, 2005 Town Plan, at 4-5; Town of Leesburg, 2012 Town Plan, at 1-6.

³³² See Town of Leesburg, 2022 Legacy Leesburg Town Plan, at 70-72, 76-77, 202-203

Upon annexation, the Town will apply its ordinances, including the Zoning Ordinance, to the Annexation Area. On November 26, 2019,³³³ the Town Council adopted amendments to the Zoning Ordinance that created two new zoning classifications, PD-CC-SC and PD-IP, that mirror the corresponding district regulations under the County Zoning Ordinance. The amendment also provides that existing County development approvals will continue upon incorporation into the Town through boundary adjustment or annexation. Therefore, existing zoning entitlements for properties in the Annexation Area will not change following annexation.³³⁴

D. Law Enforcement.

The Town will begin providing full law enforcement services to the Annexation Area immediately upon the effective date of the annexation. As discussed above, the Town anticipates law enforcement in the Annexation Area will require an increased police presence, and the Town may need to hire an additional police officer, at a cost of approximately \$97,000 per year. This additional cost will be offset by tax revenues from the Annexation Area.

E. Streets, Curbs, Gutters, Sidewalks, and Storm Water Management.

Compass Creek contains one public street—Compass Creek Parkway. This street begins at an intersection with Battlefield Parkway, and has been constructed throughout the northern portion of Compass Creek. The street currently extends to the northern portion of the Microsoft parcel. Microsoft has dedicated a 12.3103 acre strip of land through the interior of its parcel as a right-of-way for the continued extension of Compass Creek Parkway. Proffers provide for the extension of Compass Creek Parkway to the southern portion of the Microsoft parcel at no public cost.³³⁵

³³³ Town of Leesburg, Ordinance No. 2019-O-021.

³³⁴ Town of Leesburg, Adopted Fiscal Year 2023 Budget & Fiscal Years 2023-2028 Capital Improvements Program, at 132.

³³⁵ See Loudoun County Application Number: ZMAP-2012-0021 (December 2, 2013 Proffer II(A-B)).

The Town's policies concerning sidewalks, curb and gutter improvements, and storm water management system will apply to the Annexation Area. This infrastructure has already been constructed.

Upon annexation, the Town will assume ownership, maintenance, and repairs of Compass Creek Parkway as well as the associated traffic signals, streetlights, landscaping, sidewalks, and snow removal. The Town estimates annual maintenance and repairs will cost approximately \$50,000. These additional costs will be offset by tax revenues from the Annexation Area.

Sources: Documents as referenced in footnotes.

Kaj H. Dentler, Town Manager; Office of the Town Manager

Ann Harrity Shawver, CPA, PLLC.

Section XVII: Annotated List of Documents, Exhibits and Other Material

Pursuant to 1 Va. Admin. Code § 50-20-180(D), Leesburg provides the following annotated list of all documents, exhibits, or other material submitted to the Commission.

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| Section I: Introductory Statement | Overview of the Notice and materials submitted to the Commission on Local Government related to this annexation, including history and policies of the JLMA, the development of Compass Creek, the prior Compass Creek boundary adjustment, the Town's urban services, including those provided to Compass Creek and the Annexation Area, and the Town's needs to annex the Annexation Area. |
| Section II: Notice by the Town of Leesburg | The Notice to the Commission on Local Government. |
| Section III: Resolution | Resolution of the Leesburg Town Council authorizing the initiation of this annexation. |
| Section IV: Localities Notified | Listing of local governments and officials receiving the Notice and Annotated List. |
| Section V: Metes and Bounds Description | A metes and bounds description of the Annexation Area. |
| Section VI: Maps | Various maps accompanying this Notice, including the boundaries of the Annexation Area; a survey plat; Town land use map; Compass Creek water and sewer projects; Town water service; Town sewer service; Town street system; prior boundary adjustments involving the Town and the County; and prior boundary adjustment involving Compass Creek. |
| Section VII: General Data | Narrative description of population trends and land use profile of the Town and the County. |

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| Section VIII: Statistical Profile | Statistical information regarding land area, population, population density, school age population, number of households, and road lane miles. |
| Section IX: Financial Data | Tabular description of Town and County revenue collections, expenditures, General Fund balance, assessed property values, tax rates, and long-term indebtedness. |
| Section X: Urban Services | Narrative description of urban services provided by the Town, including the planning and zoning, utilities (specifically, water and sewer service), economic development, stormwater management, street design, street maintenance, snow removal, crime prevention and detection, fire prevention and detection, parks and recreation, public transportation, airport, public library, and solid waste collection and disposal, with accompanying tables and figures. |
| Section XI: Town’s Need to Annex | Narrative description of the Town’s need to expand its tax base and to obtain vacant land for commercial and industrial development, with accompanying tables and figures. |
| Section XII: Impact on County | Narrative description of the impact on Loudoun County of the annexation, with accompanying tables. |
| Section XIII: Community of Interest | Narrative description of the community of interest that exists between the Annexation Area and the Town. |
| Section XIV: Compliance with State Policies | Narrative description of efforts made to comply with applicable state policies concerning environmental protection, public planning, education, public transportation, housing, and other state service policies. |
| Section XV: Cooperative Agreements | Narrative description of the Town and the County’s cooperation in JLMA planning, zoning and land use, utilities, and prior boundary agreement involving property in Compass Creek. |

Section XVI: Terms and Conditions

Narrative description of the terms and conditions upon which the Town proposes to annex the Annexation Area

Section XVII: Annotated List of Documents, Exhibits, and Other Material

This list is also submitted to the Commission on Local Government