



Chair Phyllis J. Randall

Newsletter



Good Evening Loudoun,

There has been some intentional misreporting and politicizing of our highly successful long-term economic Sister City program – specifically a recent trip to Tema, Ghana to sign our latest Sister City agreement.

First, let me be clear: neither I nor my Chief of Staff traveled using County General Fund Tax Revenue. We traveled using funds from the Economic Development Authority (EDA), an independent Authority empowered under the Virginia Code for the purpose of promoting Loudoun County's hugely successful economic development efforts.

It is reasonable that people would incorrectly assume taxpayer dollars were used for two reasons.

1. The Sister City/County program is conducted and planned out of the Department of Economic Development (DED) – which is a County department.
2. The names of the Department of Economic Development (DED) and the Economic Development Authority (EDA) are very similar.

However, they are NOT the same entities.

The EDA's revenue comes from tax-exempt bond financing and a variety of other sources. The funding from bond financing equated to about \$341,000 in FY 2023. There are other revenue sources as well, including restricted Transient Occupancy Tax (TOT) money – a tax levied on overnight stays at accommodations like hotels and Airbnbs in the County – which amounts to about 1.4% of the total funds received by the Economic Development Authority (EDA) in FY 2023.

The EDA is NOT a County agency, and it is required by law to have an independent audit conducted each year. Those audit results presented to the Board of Supervisors and are public documents available for review. To my knowledge, there has never been an actionable finding from an EDA audit.

Promoting Economic Development

The Economic Development Authority (EDA) is empowered by Virginia Code §15.2-49 to promote economic development in Loudoun County. Today's EDA plays a vital role in the funding of many economic development activities and has a nearly 50-year history of supporting Loudoun County's growth and prosperity.

To perform its duties relative to the County government, the EDA operates a separate budget from DED and Loudoun County Government, which is – again – subject to an independent audit each year. It is important to note that the EDA's income comes from separate sources than are used to fund the County's general fund budget and do not include local tax funding; therefore, a homeowner's real property tax rate is NOT impacted by the EDA's funding sources.

A portion of EDA money is set aside for the express purpose of covering costs for travel "where local representatives, subject matter experts, or Visit Loudoun may provide a strategic benefit" in our non-stop efforts bring more commercial revenue to Loudoun and diversify our local economy. It is not only "normal"; it is expected that chief elected officials participate in these trips.

PLEASE NOTE: I am the first Loudoun County Chair to insist my travel not come from General Fund Tax Revenue, but instead use EDA funds. (Although honestly, I don't find fault with past Chairs who chose to use General Tax Revenue.)

International business development plays a critical role in Loudoun County's economy and the goal of creating a diverse economic base for the future of the community. The attraction of international companies provides a great opportunity to take advantage of Loudoun's tech-based business base, diverse workforce and citizenry, and strategic location outside of the nation's capital with direct access to Dulles International Airport.

Loudoun Economic Development utilizes a data-driven strategy for the attraction of international businesses, beginning with identification of appropriate companies that align with Loudoun's economic model, transitioning through initial outreach and relationship building and storytelling, and ultimately leading to an in-country visit. Work is typically conducted for 18 months before a trip and 18-36 months upon completion to make deals happen. When a company does make a location decision, many issues arise, including real estate, workforce, visas, business, and cultural, leading to a long and continuous effort to realize a business "win".

The Sister City program plays an important role in the Loudoun economic development international strategy. In addition to the cultural, educational, and governmental benefits of the program, a formalized relationship displays a significant commitment to businesses in the target area that Loudoun is serious about partnerships and is open for business. The presence of members of the Board of Supervisors during the international business development process lends credibility to the delegation, creates inroads for scheduling, and provides a higher level of awareness, often securing local and national press coverage abroad.

The Sister City/County program is important to our overall strategy to increase Loudoun's commercial tax base. In fact, over the past eight years, Loudoun has scored more than 100 international economic development "wins" totaling \$1.37 billion in new commercial investments that have created almost 2,500 jobs here in Loudoun County. An economic development "win" is when a company decides to move to your location or remain in your location after considering their options. That translates to about a 1000% rate of return-on-investment for the Sister City/County program going back at least eight years.

The pace of our success has only increased in the last few years with our greatest year over-year growth during that period. To give you hard numbers: from 2015-2018, Loudoun added 15 new prospects to our pipeline from international companies. However, from 2018-2022 we added 27 new international companies.

Moreover, the countries producing the most "wins" for the county are those where we have focused our Sister City/County efforts. While there are many factors involved in any business location, there are several companies that have located in Loudoun as a direct result of the Sister City/County program. Some of those companies include: BioGrand and Janitza Electronics from Germany, Golfzon from Korea, and Ideal Cures and Haver Electronics from India.

The fact is: the results of these trips are not always immediate. So, if you ask me for a direct, immediate economic benefit from our trip to Ghana just last month, I can't give you that. However, I can tell you we already have two prospects from our trip to Tema, Ghana who are currently planning to visit Loudoun, including one as early as September 2023.

Regarding the trip itself: I and my Chief-of-Staff's travel arrangements were made not by my office but by the Department of Economic Development in conjunction with the EDA. Additionally, a different hotel was initially selected. However, the United States Embassy specifically suggested that we change the hotel for security reasons. In changing our hotel reservations, we received the "embassy pricing" rate – which actually brought down the cost of the accommodations. Embassy pricing was \$232.00 per night. My room was \$500 a night. The delta between that price was \$660.00 for the five nights we were there – which is a cost I've covered myself. In the end, again, the cost was less than had we stayed at the Marriott Hotel in Ghana.

County's Travel and Sister City Policies

I've been asked if I would be supportive of changing our travel policies or Sister City policies. The Sister City/County program was presented to the Finance Committee (chaired by Supervisor Kristen Umstattd) on **February 14th, 2023**. (**See Action Report.**) It was sent to the Board from Finance with unanimous approval. The items went to the full Board on **February 21st, 2023** and because there was no objection from any member of the Board of Supervisors, or concerns from staff or the public, it was placed on the consent agenda. The motion to approve was made by Vice Chair Saines and seconded by the Finance Chair Supervisor Umstattd. The motion passed

7-0-2 – with Chair Randall and Supervisor Buffington being off the dais. In addition, the Ambassador to Ghana joined me at my annual State of the County Address that was televised and sent to multiple press outlets. During that event, I again announced that we would be going to Tema, Ghana.

Our air travel was consistent with County policy – which was in place before I took office. I am always supportive of periodic reviews of all County policies, and I am supportive of beginning the process of reviewing the travel policy at a future meeting.

In closing: Most chief elected officials from major municipalities, are charged with supporting staff efforts to bring national and international commercial tax revenue to their localities. Not only do I not apologize for those efforts; I am proud of them. And, I'm proud of our staff, to include my Chief of Staff. And I'm especially proud of the return on investment these trips and these relationships have effectuated. Under any reasonable assessment, the ROI has been well worth the efforts. Thank you.

[Contact Us](#)

Sincerely,

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