

Leesburg 2010 ANNUAL REPORT

Town Council

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David S. Butler
Thomas S. Dunn, II
Katie Sheldon Hammler
Fernando "Marty" Martinez
Kenneth "Ken" Reid

Town Manager

John Wells

Rising to the Challenge

To the Mayor, Town Council, and Leesburg Residents:

I am pleased to present the Town of Leesburg's Annual Report for the 2010 Fiscal Year. FY 2010 was certainly a year for the record books. The year brought us good things like the completion of the single largest commercial development in the history of the Town, and state and national recognition for our Parks & Recreation and Economic Development programs, but 2010 also gave us challenges like a decrease of more than 10% in real estate values and – oh, yes – three years' worth of snow in a single week.


The Town faced these and many more challenges and, as an organization, we outperformed all expectations. In the face of a national and regional economic downturn, Leesburg continued to provide excellent services to our residents and businesses without increasing the tax burden. We grew our commercial tax base and increased employment opportunities in the Town and we sought innovative solutions to improve service levels while also reducing costs. We should all be proud to be part of the Town of Leesburg, whether as a Council member, a board or commission member, a staff member, a resident, a business owner or employee.

This report offers a snapshot of Leesburg's accomplishments in FY 2010, including a summary of the Town's financial standing. While it does not provide a comprehensive overview of the year's activities, the report does highlight major achievements and events.

More details on the budget, as well as the specific achievements and goals of each of the Town's departments, can be found on the Town's website at www.leesburgva.gov.

Please take a moment to read this year's annual report. If you have comments, let us know. Your thoughts and suggestions will help us build upon the accomplishments of 2010 for an even better Leesburg tomorrow.

Sincerely,


John Wells
Town Manager



Leesburg

the hometown of the 21st century

published by:

Town of Leesburg
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Top Stories

Winter Storms Pack One-Two Punch

No matter what you call them – Snowmageddon, Snowpocalypse or simply the Blizzards of 2010 – the back-to-back snowstorms that hit Leesburg in February were unprecedented. Even though the Town, its residents and businesses were well-prepared for the storms, the magnitude of the recovery efforts took some by surprise.

The first storm began on the morning of Friday, February 5th and, over the next 24 hours, dropped more than 30 inches of snow on the Town. The highest officially recorded snowfall amount was 34.5 inches at the Leesburg Executive Airport, although some neighborhoods reported slightly higher amounts. The Town deployed salt trucks throughout the Town on Thursday evening and began snow removal on major streets on Friday morning. Snow removal operations continued around the clock for the next eight days, as the second storm rolled in just four days later. The second storm, which began on Tuesday, February 9th, blanketed the Town with an additional 10 to 12 inches of snow, bringing the combined total snowfall to nearly four feet.



The primary focus of the Town's storm recovery operations during and immediately after the storms was the safety of the Town's residents. Accordingly, snow removal efforts were concentrated on providing emergency access to all of the Town's neighborhoods. As the recovery operations progressed, however, the biggest challenge became what to do with all that snow, particularly in the Historic Downtown. Simply plowing the streets created ever higher snow banks that restricted visibility. The answer: Town crews loaded the snow—often by hand so as not to damage fire hydrants, street signs and parking meters—into dump trucks and hauled it to vacant land at the airport.

New Commercial Development Adds Retail & Office Space

The Village at Leesburg, located on the eastern edge of Town, at Route 7 and Crosstrail Boulevard, is a town center-style development with over 450,000 square feet of retail, 160,000 square feet of office and 335 apartments, ranging in size from studios to 3-bedrooms. Anchored by a Wegmans food market, the Village at Leesburg will provide a mix of retail and entertainment opportunities, including an upscale bowling venue and a variety of restaurants. A 12-screen movie theater and new fitness center are currently under construction.

Fort Evans Plaza II, located at the intersection of Fort Evans Road and Battlefield Parkway, contains 220,000 square feet of retail space and two 3-story office buildings, each containing 33,000 square feet. Anchored by JoAnn's, Bed Bath & Beyond and Marshall's, the plaza has space for another stand-alone restaurant and a 75,000 square foot office building.



During the past two years, several large commercial development projects in Leesburg have added significant new retail and office space to the Town. While the recession has slowed absorption of this new space, it provides the opportunity for Leesburg to accommodate new business growth in the future.

Outreach Program Tackles Neighborhood Issues & Concerns

New Water Tanks Improve Utility System Reliability

The Leesburg Utilities Department brought two new water tanks – Carr Tank 2 and the Sycolin Tank – into operation and refurbished one of the Town’s existing tanks during FY 2010. These improvements nearly doubled the system’s storage capacity, stabilizing the entire system and providing consistent water pressure. The new tanks also provide redundancy within the system, allowing tanks to be taken out of service for maintenance without affecting service to customers. Both new water tanks have been included in the Town’s Utilities Master Plan since 1987, although not with specific locations.



Carr Tank 2 is located near the intersection of Fort Evans Road and Battlefield Parkway, on land proffered by Uniwest Construction as part of the Special Exception for the Fort Evans Plaza II shopping center. It holds 1.5 million gallons of water and serves the Main Pressure Zone, which encompasses the service area north of Market Street, and augments the Sycolin and Western Pressure Zones. Construction of Carr Tank 2 was completed in September 2009 and cost \$3.6 million. Following the completion of Carr Tank 2, Carr Tank 1 was taken out of service and recoated. In July 2010, Carr Tank 1 was brought back into service.

The Sycolin Tank, located on land leased from Loudoun County near the County’s Park & Ride lot on Sycolin Road, was brought into service in June 2010. The Sycolin Tank also holds 1.5 million gallons and serves the Sycolin Pressure Zone, which includes the service area south of the Route 15 Bypass between Cochran Mill Road and the Dulles Greenway. Prior to the completion of the Sycolin Tank, the Sycolin Pressure Zone did not have any water storage. The Sycolin Tank also serves as a back-up for the Western Pressure Zone in an emergency. Construction of the Sycolin Tank totaled approximately \$3.4 million. With the Sycolin Tank now in operation, the Town will undertake additional improvements to the water storage system with the refurbishment of the Hogback Mountain Tank, expected to be completed in early fall 2010.



In early 2010, residents from the Loudoun Hills community in northeast Leesburg approached the Town about a number of issues, including snow removal, missed bulk trash collections, street light outages, storm drainage and the condition of the neighborhood playground. The Town took this opportunity to craft a new approach to resolving neighborhood concerns.

Leesburg’s Community Enhancement Team (CET), comprised of representatives from the Town’s Parks & Recreation, Planning & Zoning, Public Works, and Police Departments, takes an interdisciplinary approach to resolving neighborhood concerns before they become long-term issues. The CET works directly with HOA officers, property management companies and residents to address problems like bulk trash pickup, excessive occupancy, on-street parking, high grass complaints, inoperable vehicles, street lights and traffic control.



The key to the team’s success lies in building working relationships with neighborhood residents and understanding problems from their perspective. Many of the targeted neighborhood have high resident turnover, making outreach and education a continual challenge for staff.

In June, the CET partnered with Loudoun Hills on an end-of-school community gathering that gave CET members the opportunity to meet many of the residents and answer questions in a low-key, non-regulatory atmosphere. Community leaders have been impressed with the Town’s response to their concerns and collaborative approach to resolving issues.

Using the success with the Loudoun Hills neighborhood as a model, CET members have begun attending other Leesburg HOA meetings. For additional information about the CET or to invite a CET member to a neighborhood or HOA meeting, please contact Kathy Leidich at kleidich@leesburgva.gov or 703-771-2709.

Let's Talk Money

Revenue

The Town's revenue comes from many sources, including county/state/federal funding, real estate and other local taxes, permits, fees, fines and grants. When people talk about the "Town Budget," they usually mean the General Fund (see Budget Basics on the next page). This chart illustrates the major sources of revenue for the General Fund (\$45.2 million in FY 2010).

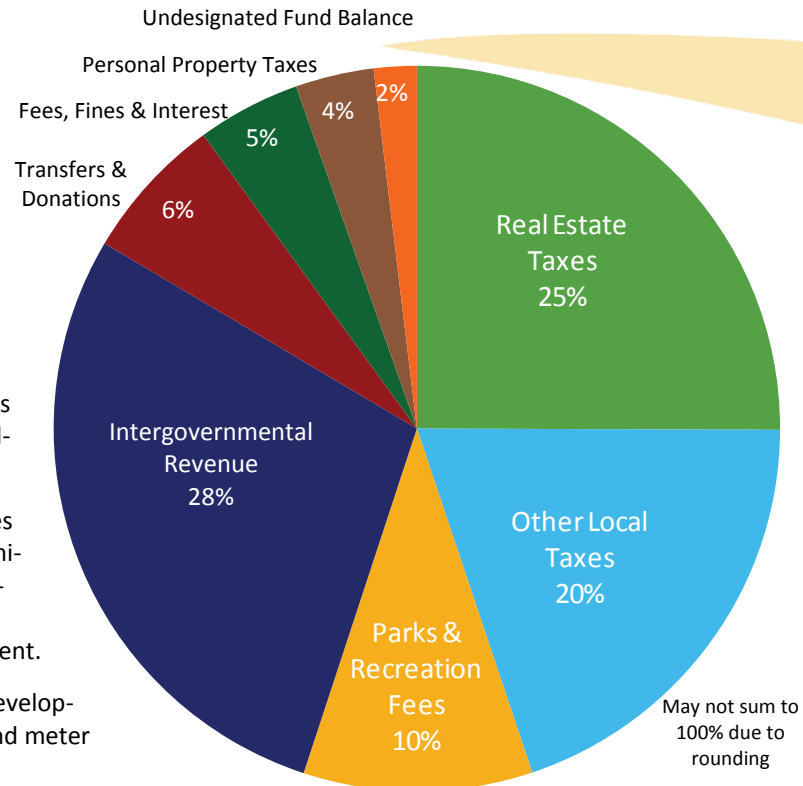
Real Estate Taxes – in FY 2010, 73% of real estate taxes came from residential property and 27% came from commercial property.

Other Local Taxes – includes Motor Vehicle and Business Licenses and Meals, Hotel, Bank Franchise, Cigarette, Daily Rental and Utility Consumption Taxes.

Intergovernmental Revenue – the majority of this revenue comes from the Commonwealth of Virginia, including sales and communications taxes, funding for highway maintenance and law enforcement, and state relief for personal property tax (motor vehicles). The remainder is from Loudoun County and the federal government.

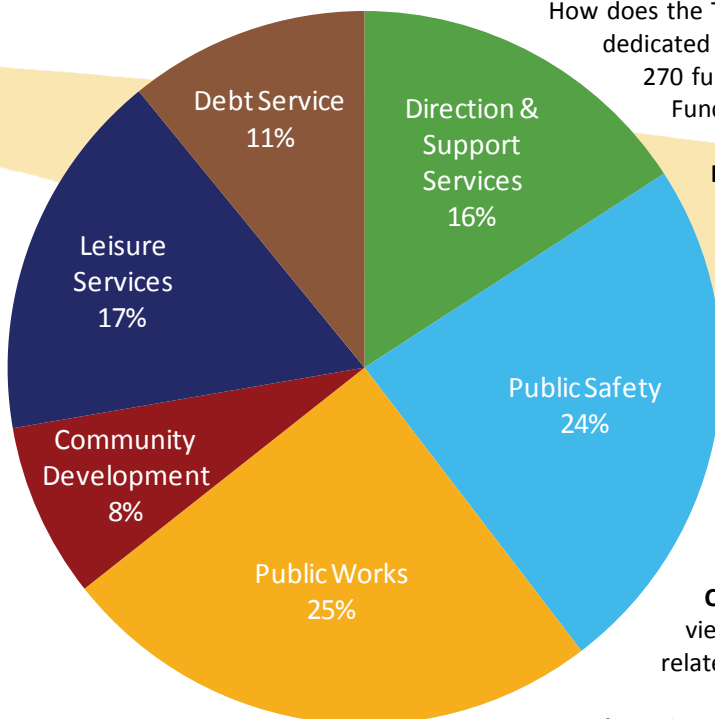
Fees, Fines & Interest – includes interest on investments, land development application fees, parking & traffic tickets, parking garage and meter revenue, and other miscellaneous charges for Town services.

Transfers & Donations – includes transfers from the Enterprise Funds, cash proffers from developers, and other contributions such as the A.V. Symington Bequest.



Expenditures

How does the Town spend all that revenue? 61% of the Town's General Fund is dedicated to personnel expenditures – the salaries and benefits of the Town's 270 full-time and 78 part-time employees. This chart illustrates General Fund expenditures by functional program.



Direction & Support Services – includes the Town Manager's Office, the Town Council, the Clerk of the Council, the Town Attorney, the Economic Development Office, and the Departments of Finance, Human Resources and Information Technology. Also includes contributions to outside agencies that provide services to Leesburg citizens.

Public Safety – includes the Leesburg Police Department.

Public Works – includes the Streets, Grounds and Building Maintenance Divisions, Traffic Management, Trash Collection & Recycling, and Inspections.

Community Development – includes the Departments of Plan Review and Planning & Zoning, as well as the Boards & Commissions related to community development.

Leisure Services – includes the Parks & Recreation Department and the Thomas Balch Library.

Budget Basics

Balancing the Budget

In January each year, the Loudoun County Assessor's Office releases the new annual assessment for real estate property. Since real estate property taxes are the single largest source of revenue for the Town of Leesburg, real estate assessments drive much of the budget process, including the tax rate.

In 2009, the total assessed value of real estate in Leesburg decreased 13% from the previous year, from \$6.46 billion to \$5.28 billion. However, the total assessed value of commercial property actually went up by almost 6%, due to over 500,000 square feet of new commercial construction being added to the tax rolls. This increase helped to partially offset the drop in residential property values, which dropped 18%.

In preparing the FY 2010 budget, the goal of the Town Council and staff was to continue to provide the same high level of service without increasing the tax burden on our citizens. Although the real estate tax rate was increased from 18¢ to 19.5¢, owners of single family homes in Leesburg saw their tax bills decline by an average of 8% from the previous year, due to the lower property assessments. Tax bills for the owners of townhomes and condominiums declined even more – an average of 22%. As a result, the overall revenue from real estate property taxes decreased more than 6%, from \$12.1 million to \$11.3 million.

A second goal for the Town's budget was to decrease the reliance on carry-over funds from the previous year's budget to balance the next year's budget. These carry-over funds are also known as the Undesignated Fund Balance. The Town Council has established a fiscal policy which requires that the Town keep a fiscal reserve equal to 15% of estimated annual General Fund expenditures, approximately \$6.8 million. This reserve, along with a \$1.4 million Revenue Stabilization Fund, is contained within the Undesignated Fund Balance. In FY 2009, the Town used \$2.8 million in carry-over funds to balance the budget, an amount equal to 6% of the total General Fund budget. In FY 2010, only \$830,000 in carry-over funds was used to balance the General Fund budget. The goal for the FY 2011 budget will be to use no carry-over funds at all.

The Town's total budget for FY 2010, including the General Fund, the Capital Projects Fund, the Utilities Fund and the Airport Fund, is \$94,249,433. This budget represents a total decrease of 6% from the FY 2009 budget. A majority of this decrease was in the Capital Projects Fund. As a result of the slower economy, construction costs have decreased significantly, allowing the Town to reduce the Capital Projects Fund budget without delaying or eliminating projects.

For more information about the Leesburg budget, visit the Town website at

www.leesburgva.gov

Fiscal Year vs. Tax Year

The fiscal year runs from July 1st to June 30th. It is the 12-month period designated as the operating year for accounting and budgeting purposes. The tax year is the same as the calendar year (January 1st to December 31st) and is based on the January real estate assessments.

General Fund

FY 2010 Total: \$45.2 million

The General Fund is the Town's primary operating fund and accounts for all revenues and expenditures not designated for specific use by statutes or the Town Charter. The General Fund budget decreased by 1.7% from FY 2009 to FY 2010.

Capital Projects Fund

FY 2010 Total: \$19 million

The Capital Projects Fund accounts for the purchase and/or construction of major capital facilities, such as roads, buildings, and recreational facilities, and the operating budget for the Capital Projects Management Department. The revenue for this fund comes from developer proffers, grants, funding from the state and federal governments, bond proceeds, and transfers from other funds.

Enterprise Funds

FY 2010 Total: \$30 million

The Town of Leesburg has two Enterprise Funds: the Airport Fund and the Utilities Fund. These funds were established to account for the operations, investing and financing activities of self-supporting activities of the Town that provide services to the public on a user-fee basis.

Budget Process

The annual budget process begins in September with revenue projections. In December, each department submits a budget request to the Town Manager. In February, the Town Manager submits the proposed budget to the Town Council. Public hearings are held in March and in April, the Town Council sets the tax rate and adopts the budget.

Highlights

Safe-T-Ride Service Improved

The Leesburg Safe-T-Ride is a free shuttle service, funded by the Town of Leesburg and operated by Virginia Regional Transit (VRT), that provides pedestrians with a safer alternative than crossing the Route 15 Bypass on foot in the vicinity of Fort Evans and Edwards Ferry Roads. Although the shuttle buses run on a continuous loop seven days a week, VRT and Town officials found that potential passengers often would opt to cross the bypass on foot because they didn't know when the next bus would arrive. To help remedy this situation, in July 2009, the Town received a Community Development Block Grant (CDBG) through Loudoun County to install real time transit information signs at five of the most frequently used Safe-T-Ride stops. The solar-powered signs give riders an accurate arrival time for the next bus, in both English and Spanish, and the Town hopes that this information will encourage people to wait for the next bus. Other improvements to the shuttle bus service, aimed at increasing ridership, include expanded hours during the summer months and holiday shopping season and a new bus featuring a graphic wrap of the new Safe-T-Ride logo. For more information about the Safe-T-Ride and other public transit options in Leesburg, please visit www.vatransit.org.



Balch Library Receives \$250,000 Bequest

In December 2009, Leesburg's Thomas Balch Library received an unexpected gift of \$250,000. The money was a bequest from the estate of Virginia L. Bowie, who passed away in September 2008. Ms. Bowie was a longtime volunteer at the Thomas Balch Library and a resident of the Town. As a volunteer at the Library, Ms. Bowie made tremendously valuable contributions by transcribing documents and indexing the Library's collections, both time-intensive endeavors that can only be described as labors of love. A very private and unassuming person, Ms. Bowie's bequest came as a complete surprise to Town officials. The Town will receive a second amount from Ms. Bowie's estate that could equal the original bequest, as part of the estate's final settlement. Tentatively, the Town plans to establish an endowment fund focused on the long-term needs of the Thomas Balch Library. In addition to the monetary bequest, Ms. Bowie also gave a stone fountain to the Library.

"Keep Leesburg Beautiful" Month

Leesburg extended its annual "Keep Leesburg Beautiful" community clean-up to the entire month of April, offering more opportunities for citizens, community groups and businesses to get involved. This year's efforts included more than 160 volunteers working at two dozen locations throughout the Town, picking up trash, clearing brush and weeds, marking storm drains, planting trees and working on other beautification projects. Teams from five Leesburg businesses and thirteen community groups participated in the "Community Challenge" and collected over 220 bags of trash, tires, a bike, appliances, furniture and other discarded items. Other activities included several rain barrel building workshops sponsored by the Environmental Advisory Commission, demonstrations by the Loudoun County Master Gardeners, and a tree planting ceremony at Robinson Park to commemorate Arbor Day. "Keep Leesburg Beautiful" month concluded with a volunteer appreciation reception hosted by Wegmans in the Village at Leesburg and attended by over 185 people.



Holidays in Leesburg Expands

Holidays in Leesburg, the Town's annual holiday celebration, expanded to two weekends for 2009. The festivities kicked off with the annual Tree & Menorah Lighting Ceremony on Town Green, followed by December's version of First Friday.

First Friday is a monthly after-hours celebration of the arts in Leesburg's Historic Downtown. The first weekend concluded with the Holiday Arts & Crafts Show at Ida Lee Park Recreation Center. The second weekend of Holidays in Leesburg began with the annual Holiday Parade, which started at Ida Lee Park and traveled through the Historic Downtown on King Street. Following the parade, the new Holiday Festival celebrated the season throughout Downtown Leesburg with live entertainment, carriage rides, arcade games, ice carving demonstrations, strolling carolers, and visits from Santa, Frosty and Rudolph. Holidays in Leesburg concluded with the Jingle Jam, Rock n' Roll Holiday Concert, which offered two sold-out performances by local and regional artists.

Saving Paper, Improving Access to Information

Leesburg has taken the concept of “going digital” seriously! The Town is using new technologies to reduce the need for paper forms and hard copies. Here are two examples of how the Town is reducing paper usage, but increasing public access to information at the same time.

Twice each month, the Town Council receives a packet of materials for their work session and meeting. For each item on the agenda, there may be memos, reports, plans, spreadsheets or copies of powerpoint presentations. In the past, Town staff printed each item and compiled a binder for each Council Member. A typical agenda could require up to ten reams of paper to make all of those copies! Now, items are converted to a pdf document and uploaded to Laserfiche, a digital document management program. Council members can access the packets through the Town’s intranet and members of the public can view agenda items on the Town website.

You probably never thought about it, but just about everything that has ever been built in the Town has an approved plan. Subdivisions, shopping centers, office parks – they each started with a development plan. And the Town has copies of every approved development plan, dating back to 1974. Considering that each plan could have 100 or more pages, usually 36 inches by 24 inches, that’s a lot of paper to store! While the Town has required new development plans to be submitted digitally for several years, the process of back-scanning approved plans was completed recently. This process involved staff comparing multiple copies of each plan to create a single master set, cataloging the plans and then scanning each page, with more than 40,000 plan sheets scanned. The original paper copies have been sent to the archives, and a new customer service station has been installed on the second floor that provides property owners and developers access to the digital versions.

Other projects to reduce the Town’s paper usage are in the works, including paperless job applications and online real estate and personal property tax payments.

Acoustic on the Green Gets Regional Notice

Acoustic on the Green was named a “Best Bet for Summer Concerts” by *Washington Magazine* in 2009.

The free summer concert series, held on Saturday evenings from June through August each year on the Town Hall Green, is a joint production between the Town of Leesburg and Leesburg businesses. Started in 2004, Acoustic on the Green features local, regional and national artists, and regularly draws hundreds of music lovers to downtown Leesburg each summer.



New Battlefield Parkway Section Opens

Battlefield Parkway is a “ring road” around the east side of Leesburg that, when completed, will relieve congestion on the Route 7/15 Bypass and provide alternate routes to the northeast and



southeast sectors of Town. Battlefield Parkway has been constructed in 11 segments over 23 years, primarily by developers or funded through devel-

oper proffers, state and federal grants, and local taxes.

The most recent segment of Battlefield Parkway to be completed was the section from Route 7 to Kincaid Boulevard, crossing the Tuscarora Creek and the W&OD Trail. This section, which opened in September 2009, was built by VDOT, cost \$30 million, and was funded by over 15 sources of federal, state and local funding. Another section of Battlefield Parkway, from Fort Evans to Edwards Ferry Road, is under construction by the Town and will be completed in 2011.

Airport Continues to Soar

Increasing its role as a commercial hub for the Town, the Leesburg Executive Airport saw significant growth over the past year. Sixteen new aircraft hangars were constructed on the South Apron. Additional hangars mean more aircraft will be based at the airport, increasing activity and revenue, and making the airport financially sustainable. In addition, a number of new businesses located at the airport, including ProJet Aviation, an aircraft management and charter company. ProJet purchased the 25,000 sq ft corporate hangar left vacant last year.

25th Annual Valor Awards

Two Leesburg residents and 12 Leesburg Police Department employees were honored at the Loudoun Chamber of Commerce's 25th annual Valor Awards.

Leesburg residents Robert and Frances Belote received Citizen Awards in recognition of their "grace under pressure" while held hostage in their own home on July 10, 2009. That morning, a man attempted to rob a Leesburg jewelry store and fled on foot. He then stole a vehicle from a home on Royal Street which he later abandoned near the Belotes' home. At about 1:00 p.m., he entered the Belotes' home and took the couple hostage, locking them in a bathroom. Mr. and Mrs. Belote were able to use a cell phone to call 911. Eight hours later, the hostage situation was resolved peacefully, without major injury to the Belotes, the suspect or law enforcement officers.

Detective Matt Hackney, who made a rescue attempt, received a Bronze Medal of Valor. Detective Doug Shaw, who was the primary hostage negotiator, received a Certificate of Valor. The entire Crisis Intervention Team, including Det. Thomas Thompson, Sgt. Steven Pebler, Sgt. TJ Moore, Sgt. Wael Abilmona, MPO Chris Tidmore, MPO William Potter, Officer Eric Wakeham, Communications Technician Sharon Riley and former Officer Carrie Cline, received a Unit Citation.



9th Annual Business Awards

During Business Appreciation Week in May each year, Leesburg celebrates the creativity, passion and drive of its thriving business community. Awards are presented in nine business/organization categories and one individual category. In 2010, winners included Talk Loudoun (New Business), Mom's Apple Pie (Ambassador), REHAU (Innovations), Doner Bistro (Environmental), Herd Planning & Design (Home Based), ArtSquare (Public Art) and Johnson Promotions & Events (Community Steward). Tuscarora Mill Restaurant was honored with the Heritage Award, for their long-term commitment to preserving the integrity and character of the Historic Downtown. Former Leesburg Mayor Bob Sevila, partner at Sevila Saunders Huddleston & White, received the George C. Marshall Award, for his many contributions to the Leesburg community.



Honors & Accolades

Parks & Recreation Receives VML Achievement Award

Leesburg Parks & Recreation Department was recognized for its efforts in leveraging a \$5 million bequest from Ms. A.V. Symington into a \$10 million improvements program for Ida Lee Park, garnering an Achievement Award from the Virginia Municipal League. The award particularly noted the public input process used to identify future projects at Ida Lee Park. An indoor tennis center opened in January 2008 and an outdoor pool was completed in May 2009.

1st Place in State Green Government Challenge

The Town received "Gold Level Green Government" certification from the Virginia Municipal League, placing 1st in the State among communities with populations between 15,000 and 90,000. VML's Green Government Challenge encourages local government to implement policies and practices that reduce carbon emissions. Leesburg's completion of an energy management plan was a major factor in achieving Gold Medal status.

Economic Development Program Wins IEDC Award

Leesburg's new "Hometown of the 21st Century" business attraction brochure received the International Economic Development Council's coveted Excellence in Economic Development Award in 2009. Competing in the category for organizations serving populations under 50,000, Leesburg also received two honorable mentions, for the Town's business marketing packet and for the quarterly "Discover Leesburg" direct mail promotional calendar.

Credit Rating Upgrade

In September 2009, Standard & Poor's, one of the three major rating agencies, upgraded the Town's credit rating from AA to AA+, just one step below the highest rating of AAA. This rating reflects the Town's diverse and growing economy, strong fiscal policies and prudent financial management. High credit ratings allow the Town to borrow money at lower interest rates, thus saving taxpayer dollars.