

DED Requesting Full EDC Attendance at ULI Briefing

The Department of Economic Development is requesting that all members of the Economic Development Commission attend the Urban Land Institute's (ULI) final briefing to the Loudoun Board of Supervisors. The meeting will be from 9 to 11 a.m. on October 21 in the Loudoun Government Center Board Room.



Loudoun's Urban Land Institute panel will be chaired by James DeFrancia, a community development specialist and a founder of Countryside in Sterling, one of the nation's first planned residential communities.

The briefing will culminate a week-long ULI Advisory Services Panel project, which the department commissioned in June to study the potential uses of a 101-acre county owned parcel. The Urban Land Institute created the Advisory Services concept more than 50 years ago to provide organizations with objective analysis and advice on how to solve difficult land use, development, and redevelopment problems. ULI teams approach projects from all perspectives including market potential, land use and design, financing and development strategies, and implementation.

The panelists selected for the Loudoun project will be:

- ◆ James M. DeFrancia, from Aspen, Colorado, is a principal

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Department's Prospect Activity—September:

- Responded to 359 general information requests
- Distributed 25 marketing packages, 32 business guides, and 18 growth summaries
- Conducted 20 business visits, 1 presentation and 1 tour
- Assisted 1 new business start-up
- Worked with 2 new and 32 on-going prospects
- Distributed 17,000 Farm Color Tour Brochures
- Received 44,008 hits on www.loudoun.gov, with 11,541 user sessions
- Received 70,327 hits on www.loudounfarms.org, with 3,029 user sessions

Supreme Court to Render Decision on Incentives

The U.S. Supreme Court announced September 27 that it will review two legal cases from Ohio concerning the use of state-sponsored business incentives. The outcome of the decision is expected to affect the abilities of state economic development agencies nationwide, including the Virginia Economic Development Partnership, to offer tax breaks and other financial incentives to businesses.

The two cases concern Ohio's use of investment-based incentives to encourage business expansion and re-investment within the state. In both cases, lawyers for Ohio taxpayers and businesses argued that the tax programs violate the Interstate Commerce Act of the Constitution by giving preference to in-state over out-of-state business expansion. The incentive programs were ruled unconstitutional by the U.S. 6th District Court of Appeals in 2004.

Coincidentally, the Supreme Court is expected to review a precedent for the case with ties to Loudoun County: the May 2005 ruling on interstate wine shipments, brought to the Court in part by Loudoun's Swedenburg Winery. In that decision, the Court asserted that states may not adopt policies which result in unequal access to the markets of other states.

Plaintiffs for the case state that they want the Supreme Court to "free all the states from the necessity of engaging in an escalating competition over incentives that deprives all of them of needed revenues." The Court is expected to hear oral arguments on the case in 2006.

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Announcements and Expansions

New & Existing Business



Inova Loudoun Hospital is in the process of a \$200 million expansion and upgrade.



Dulles-based ORBIMAGE has agreed to acquire Space Imaging for \$58.5 million by December 31, 2005.



- ◆ Loudoun Healthcare's Inova Loudoun Hospital, (ILH, www.loudounhospital.org) is continuing to expand following its merger with Inova Health Systems last year. When the merger was announced last October, Inova pledged \$200 million to help expand Loudoun's medical facilities. Since that time, the partnership has enabled Inova Loudoun to add a variety of new facilities and services, including a new Radiation Oncology Center, a Heart and Vascular Institute, a new surgical center, and an expansion of diagnostics and community emergency care.

One special asset currently in development is a new Pediatric Emergency Department. The hospital is currently selling personalized, engraved bricks at www.bricksrus.com/order/inovaloudoun to help fund the department.

"Joining the Inova team has opened up opportunities on the clinical, support, and administra-

tive fronts that we never thought possible only a short year ago," said Rod Huebbers, Senior Vice President of Inova Health System and Administrator of Inova Loudoun Hospital.

Future expansion plans include the addition of new community health centers in Middleburg, Purcellville, and Dulles South. Medical facilities will also be located at the new Lovettsville Town Center project, including primary care and radiology services.

- ◆ ORBIMAGE (www.orbimage.com) announced September 16 that it is acquiring Thornton, Colorado-based Space Imaging, a pioneer in the commercial spy satellite industry. Space Imaging is a private company with resellers, affiliates, and ground stations around the world, and provides satellite imagery and imagery products to customers both in the U.S and internationally. Analysts have stated that the acquisition will enable ORBIMAGE to have 50 to 60 percent of the spy satellite market share, with only one major national competitor.

Rural Business News

Can't make it to the Loudoun Farm Color Tour October 15 and 16? Don't miss out! The Loudoun Convention & Visitors Association (LCVA) has teamed up with Great Country Farms, the Loudoun Heritage Farm Museum, and Temple Hall Farm to offer families one free admission to each location any day through October 31. Visitors who have their "Imagine Family Fun Pass" validated at all three locations by October 31, 2005 may enter a drawing to win valuable prizes, including a 2006 season pass to Algonkian Regional Park Pool, a Loudoun Gift Basket or passes for mini-golf at Algonkian Regional Park.



The "Imagine Family Fun Pass," seen above, is available to families by calling 866-771-2602 toll free, or visiting www.visitloudoun.org/imagine. The pass offers free admission to three Loudoun attractions.

In the News

- ◆ **Qwest Communications** announced September 27 that it has decided against renewing a takeover bid for Ashburn-based MCI. Qwest previously issued a \$9.75 billion bid, but it was rejected in favor of an \$8.44 billion offer from Verizon Communications.

In other MCI news, lawyers for former MCI WorldCom CEO **Bernie Ebbers** have filed with the Second Circuit U.S. Court of Appeals in New York, stating that Ebbers was incorrectly convicted because the jury used a flawed execution of the “conscious avoidance” concept, which allowed them to declare him guilty based on knowledge of the wrongdoing in question. Ebbers was scheduled to begin a 25-year prison sentence October 12, but will remain free on bond pending the appeal.

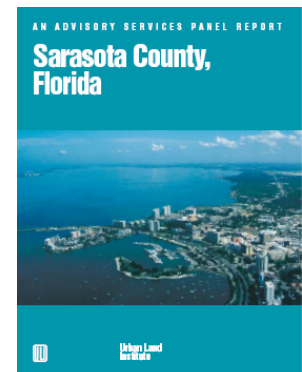


Gone but not forgotten in Loudoun, Bernie Ebbers filed papers September 29 to appeal his fraud and conspiracy conviction.

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of Lowe Enterprises, Inc., a national real estate development company engaged in commercial, industrial, and residential development, and president of its community development division. He is also a past Vice Chairman of the Urban Land Institute.

- ◆ **Morey Bean**, AIA, is the founding partner of the Colorado Architecture Partnership. Bean is an architect and planner with experience ranging from the design and execution of innovative university research parks and new urbanist community design.
- ◆ **Mark Viets** is a Principal of Peckham Guyton Albers & Viets Architects and Planners. PGAV is a 100-person firm with offices in Kansas City and St. Louis with a focus in large-scale office and institutional development worldwide.
- ◆ **Daniel Conway** is a real estate marketing and research authority specializing in commercial, industrial and residential developments. Conway has had over 30 years experience as an urban land economist, and is currently President and Director of Economics and Market Research for THK Associates.
- ◆ **Lyneir Richardson**, as Vice President of Urban Land Development in Chicago, heads the initiative of General Growth Properties to undertake retail and mixed used development projects in cities across the country. The Urban Land Development Group targets opportunities that have a retail component of at least 100,000 square feet.
- ◆ **Jim Meadows**, of Denver, Colorado, is Division President and Senior Vice President of Lend Lease Communities/Actus Lend Lease, the U.S. Division of an international community development firm.
- ◆ **R. J. Nutter**, of Virginia Beach, Virginia, is a partner in the law firm of Troutman Sanders LLP. He is the chairman of the firm’s Zoning and Land Use Practice Group, which is comprised of over 20 attorneys in six of the firm’s seven U.S. offices.
- ◆ **Virginia Scott** is Managing Director in Jones Lang LaSalle’s Public Institutions practice in the Washington, D.C. corporate office. Scott is a leading contributor to the firm’s government specialty, providing strategy, financing and negotiating services to public sector clients.
- ◆ **Steve Jenkins** is a partner with Haynes and Boone, LLP, a Dallas-based law firm ranked among the top 100 law firms in the country and among the leading technology-oriented law firms in the world. Jenkins’ experience includes more than 30 years representing large, sophisticated clients in complex real estate transactional matters.



ULI has completed more than 400 Advisory Services Panel reports for locations around the world.



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Department and Commission News

- ◆ The Department of Economic Development (DED) is preparing to recruit for two positions. The Deputy Director position, previously held by Cindy Richmond, and the Main Street Loudoun Coordinator position, previously held by M.E. Gamble, will be advertised in the next sixty days.
- ◆ DED's Beth Hain is playing a key role working with Fairfax and Prince William Counties' economic development agencies in the recently-organized Northern Virginia Life Sciences Communities (NVLSC) group. The collaboration was the creation of Fairfax County Economic Development Authority President & CEO Jerry Gordon, in partnership with Prince William Economic Development Executive Director Martin Briley and DED Director Larry Rosenstrauch. Hain is working with NVLSC to prepare for a joint presence at the upcoming Mid Atlantic Bio Conference, the region's largest investor-driven bioscience event, on October 26 and 27 in Washington, D.C.

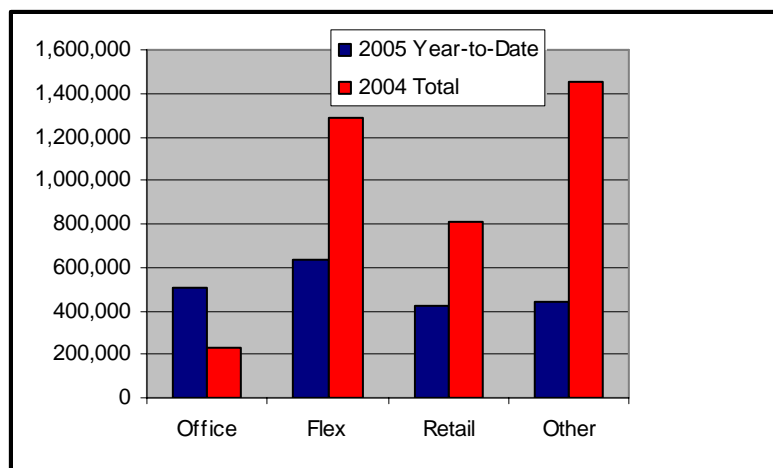


The project, explains Hain, is “testing the waters of marketing the counties together as a region to the life sciences industry. We can achieve more through collaboration than we each can independently. Fairfax, for example, brings great brand recognition and their Bio-Accelerator. Loudoun has HHMI and the airport while Prince William has Innovation Park and Eli Lilly.”

Construction Activity

In August 2005, Loudoun County permitted a total of 443,607 square feet (SF) of nonresidential construction. The combined value of new buildings (\$34,696,025) and alterations (\$7,583,605) is over \$42 million.

- ◆ Office — 0 SF in August and 59,052 in July
- ◆ Flex/Industrial — 280,419 SF in August and 223,043 SF in July
- ◆ Retail — 79,324 SF in August and 41,233 SF in July
- ◆ Other — 83,864 SF in August and 88,104 SF in July
- ◆ Taxable — 404,041 SF in August and 325,468 in July
- ◆ Route 28 — 228,813 SF in August and 126,835 SF in July



Nonresidential Construction — Square Feet Permitted
2005 Year-to-Date and 2004 Total