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State of Rail to Loudoun

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Loudoun County is at an Economic Cross Roads

The long-term economic difference is significant between: (1) an economy built on a platform of high value added, high growth professional and business services attracted by high quality, high density, mixed use, multi-modal employment centers and regional connectivity and (2) an economy that is dominated by residential-serving commercial business activities and airport-oriented and transportation-related services. The opportunity cost of not extending Metrorail into Loudoun can be measured in billions of $s not earned, a weaker economic base, lower salaries and higher tax burdens for local residents

Loudoun County has two distinct economic futures

(1) An export-based economy driven by a combination of local, regional, national and global business with a real estate tax base balanced between residential and non-residential land uses;

or

(2) A suburban-based economy driven by the expenditures of County residents for retail and consumer services with a real estate tax base disproportionally dependent on residential land uses.

What is the Long-Term Outlook for the Loudoun County Economy with Metrorail as Planned?

Loudoun County's Competitive Advantages

- Its location adjacent to Fairfax County with its dynamic economy and growing demand for workers to fill its knowledge-based and technology intensive jobs;
- The economic activities and potentials generated by Dulles International Airport;
- High quality of life, excellent public facilities and services, and expansive housing supply; and
- Connectivity to the regional labor market and employment centers, and advancing economy.

Gross Regional Product Trends in the Washington Metropolitan Area:1990-2040

(in billions of current year $s)

Year	Washington Metro Area-MSA	Fairfax County GCP*	Fairfax County % MSA	Loudoun County GCP*	Loudoun County % MSA
1990	$137.5	$26.1	19.0	$2.4	1.7
2010	429.4	97.8	22.8	21.2	5.0
2020	736.5	150.2	19.7	51.0	6.7
2030	1,138.5	22.8.2	20.0	115.4	10.1
2040	$1,848.9	$367.1	19.8	$230.4	12.5

1990*GCP – gross country product, the value of goods and services produced

Source: IHS Global Insight., GMU Center for Regional Analysis

What is the Long-Term Outlook for the Loudoun County Economy without Metrorail?

Key Differences in Job Mix: Loudoun County With and Without Metrorail

(percent job distribution)

Sector	2010	2020	2030	2040
Retail Trade: With	12.0	11.0	10.3	9.6
Retail Trade: W/O	12.0	12.2	12.0	11.5
Hospitality: With	9.9	9.2	8.2	8.2
Hospitality: W/O	9.9	9.4	9.3	8.8
P & BS*: With	18.5	24.5	29.9	35.3
P & BS*: W/O	18.5	21.7	24.3	29.4

*Professional and Business Services

Source: ESMI, Inc., GMU Center for Regional Analysis

Gross County Product Contribution Per Employee by Sector in Loudoun County

(in current year $s)

Sector	2010	2020	2030	2040
P&BS*	$239,389	$321,140	$449,435	$639,995
Retail Trade	70,116	94,061	131,638	187,453
Hospitality	58,464	78,429	109,761	156,300
Construction	90,497	121,402	169,902	241,940
Transportation	87,763	117,734	164,769	234,631
Education/Health	80,954	108,600	152,986	216,428
Financial Services	283,980	380,959	533,012	759,009
Average All Jobs	$151,794	$203,628	$284,975	$405,804

*Professional and Business services

Source: U.S. Bureau of Economic Analysis, GMU Center for Regional Analysis

The Impact of Metrorail on the Loudoun County Economy: 2010, 2020, 2030, 2040
(in billions of current year $s)

Scenario	2010	2020	2030	2040
With Metrorail	$21.2	$51.0	$115.4	$230.4
Without Metrorail	21.2	47.8	104.2	204.8
Economic Impact	0.0	3.2	11.2	25.6
Cumulative 10-Year Economic Impact	0.0	$9.0	$72.2	$191.4
Cumulative 25-year Economic Impact				$272.6

Source: GMU Center for Regional Analysis

Conclusions

- The Loudoun County's future economy will be irrevocably shaped by the extension of Metrorail.
- Metrorail service into Loudoun County will support a very different economic outcome than would occur in the absence of Metrorail service.
- With Metrorail, the County's economic future will be driven by expansion and concentration of high-value added professional and business services accelerating the economy's growth from $21.2 billion in 2010 to $230.4 billion by 2040 and increasing its share of the regional economy from 5% to 12.5%.

Conclusions

- In the absence of Metrorail, the long-term driver of economic growth in Loudoun County will be spending by local residents for retail and consumer services and transportation-related and warehousing and distribution services tied directly to Dulles International Airport.
- The cumulative opportunity cost of not extending Metrorail is $272.6 billion in foregone economic activity within the County between 2015-2040.
- The return-on-investment in Metrorail for Loudoun County will be very large and significant.

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