



Ordinance to Establish Economic Revitalization and Redevelopment Zones

G-7

Elizabeth Hagg, Deputy Director, Office of Community Revitalization
March 4, 2019

Economic Revitalization & Redevelopment Zones (ERRZs) Authority

- VA Code 15.2-1232.2 provides for the creation of local economic revitalization zones
- VA Code 58.1-3219.3 provides for a partial exemption for structures in redevelopment or conservation areas or rehabilitation districts

Proposed Ordinance

- Amends the County Code to add a new Article 29 – Incentives to Encourage Economic Growth
- Purpose - to provide economic revitalization and redevelopment opportunities by offering regulatory and financial incentives to the private sector to assemble, revitalize and redevelop property for economic development purposes
- Effected date January 1, 2020, and last for a period of ten years

ERRZ Locations

- The Commercial Revitalization Districts (CRDs) of Annandale, Baileys Crossroads/Seven Corners, McLean and Springfield
- The Richmond Highway Community Business Centers (CBCs), Suburban Neighborhood Areas (SNAs), and Land Units R & Q of the Huntington Transit Station Area (TSA)
- The TSA of Springfield
- The Commercial Revitalization Area (CRA) of Lake Anne
- The Lincolnia CBC
- Note: the Merrifield CRA was not included as it was viewed as not in need of special inducements to foster redevelopment

Eligibility Requirements

- Development must be commercial, industrial and/or multifamily located within one of the ERRZs
- Development must be a newly proposed assemblage, not previously submitted for rezoning or site plan approval
- Minimum parcel consolidation of two parcels that collectively total at least two acres in size*
- Conformance with any Comprehensive Plan recommendations regarding consolidation and use
- A minimum of 20% of existing development may be retained and/or repurposed*

*Exceptions may apply

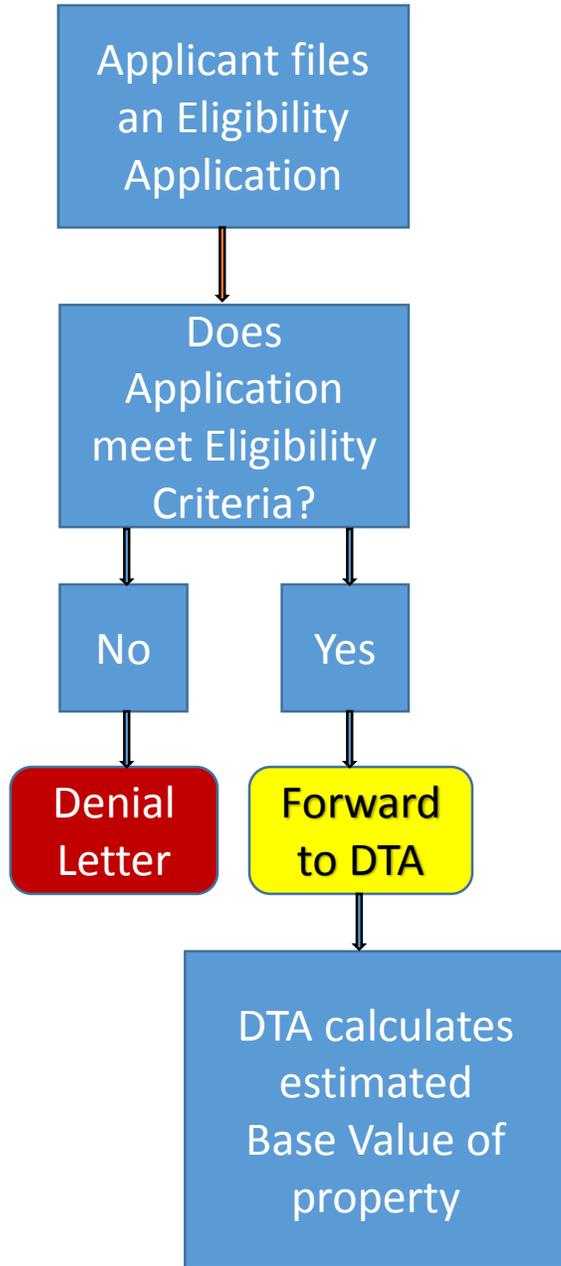
Regulatory Incentives

- Expedited processing of zoning applications and any associated Comprehensive Plan amendments
- Inclusion in the LDS Project Management Program
- Expedite site review processing to 45 days for 1st review and 28 days for 2nd review, presuming that the project is in the ESI program
- Priority processing through building plan review (for best results it is recommended that applicant pays for inclusion in the EPR program)

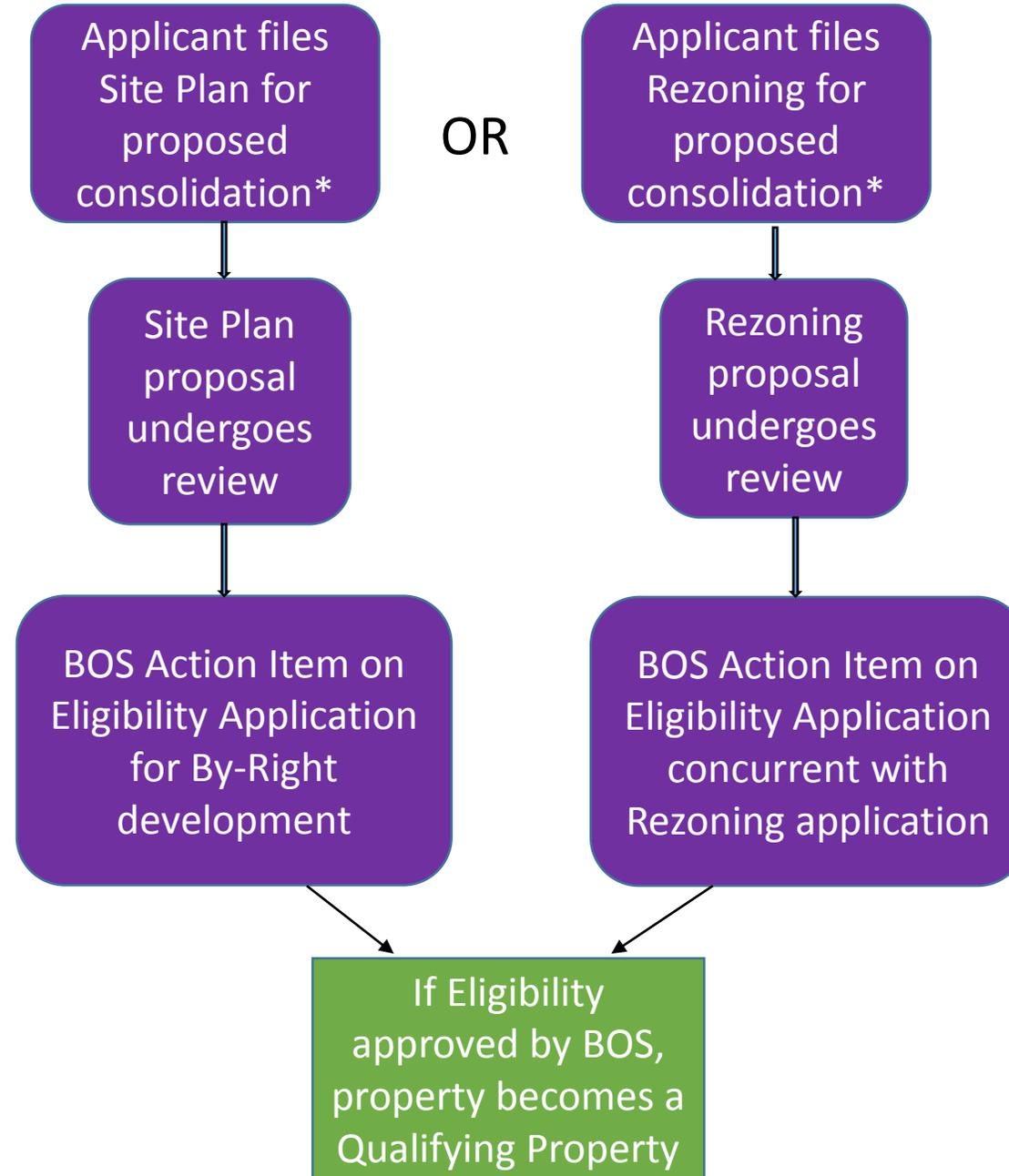
Financial Incentives

- Reduction of Site Plan Fees by 10%
- Partial Real Estate Tax Abatement equal to increment between the Base Value (pre-development) and the Fair Market Value (post-development)
 - At the end of abatement period, the assessment would revert to full market value
 - The abatement would be applied beginning January 1st of the next tax year following the abatement trigger
 - Abatement for up to 10 years or the number of years left in the program
 - The abatement runs with the land

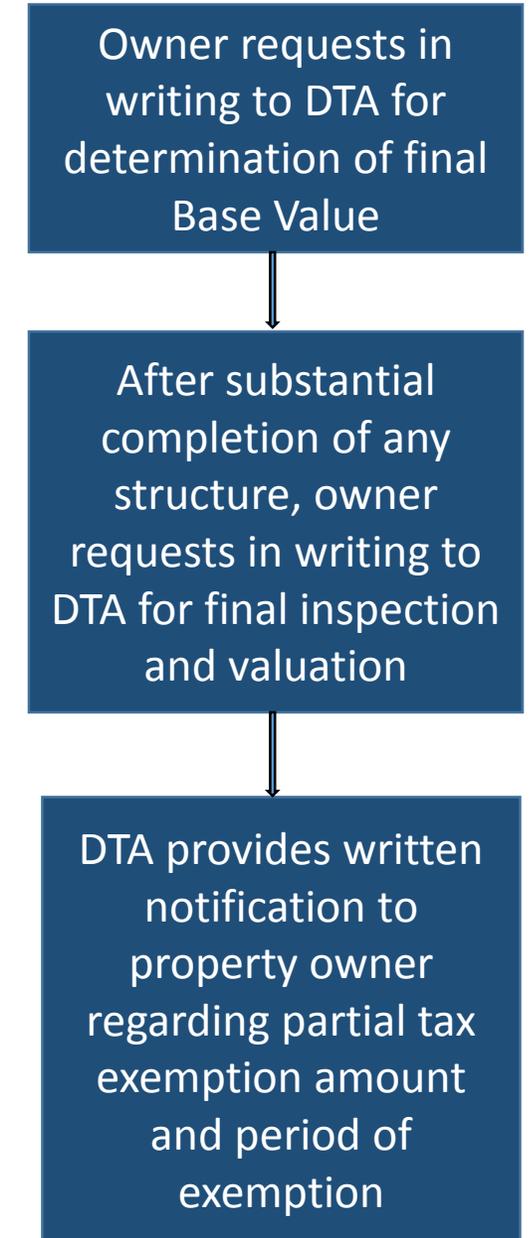
Step 1A



Step 1B



Step 2



* All structures must be fully contained within its parcel lot lines before approval of an application; therefore, a subdivision may be required.

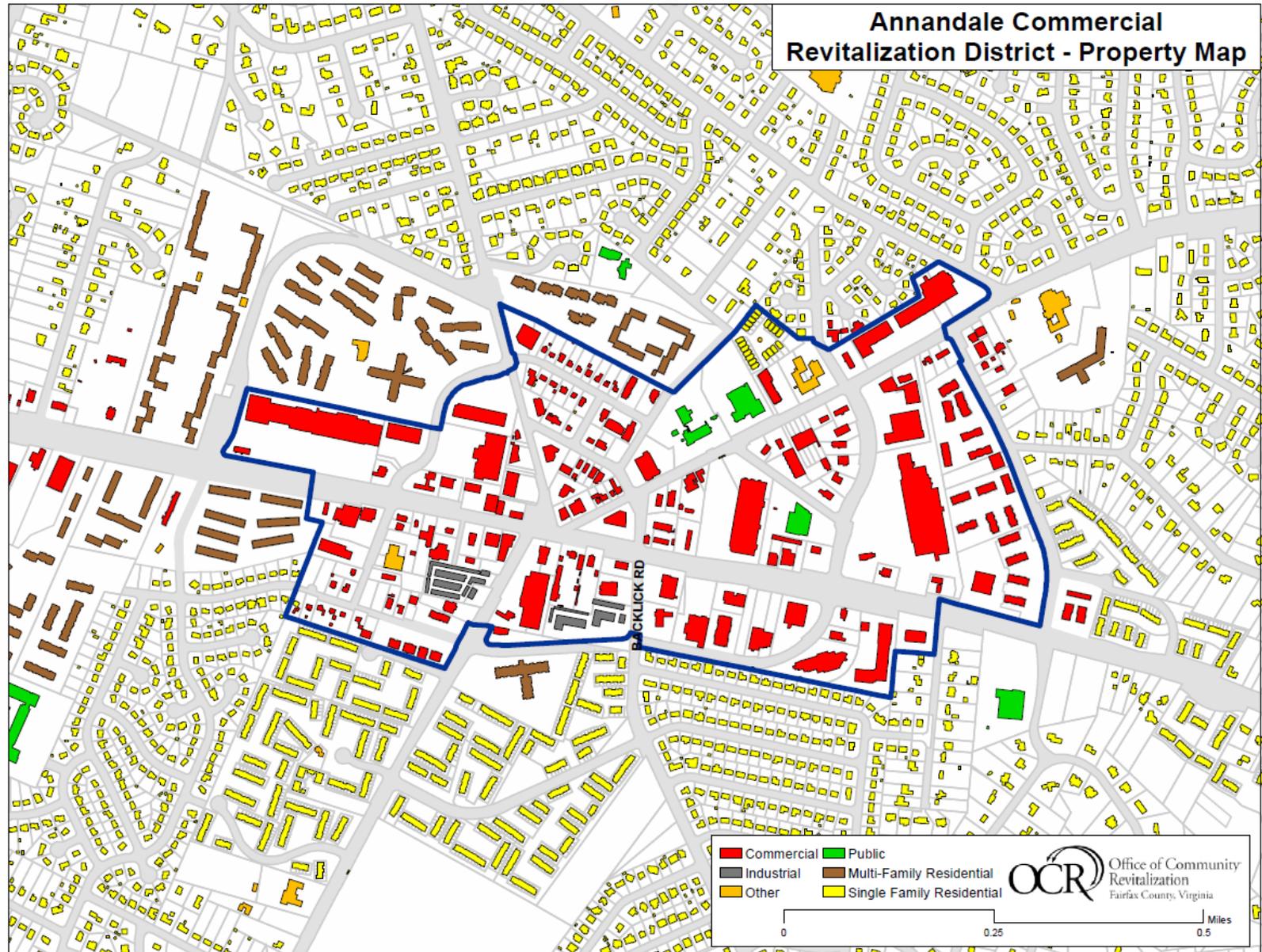
Next Steps

- Board authorization March 5, 2019; Public Hearing April 9, 2019; establish zones with a delayed effective date of January 1, 2020 year to allow the program to be advertised and for applications to be primed to take maximum advantage of time limits of the program

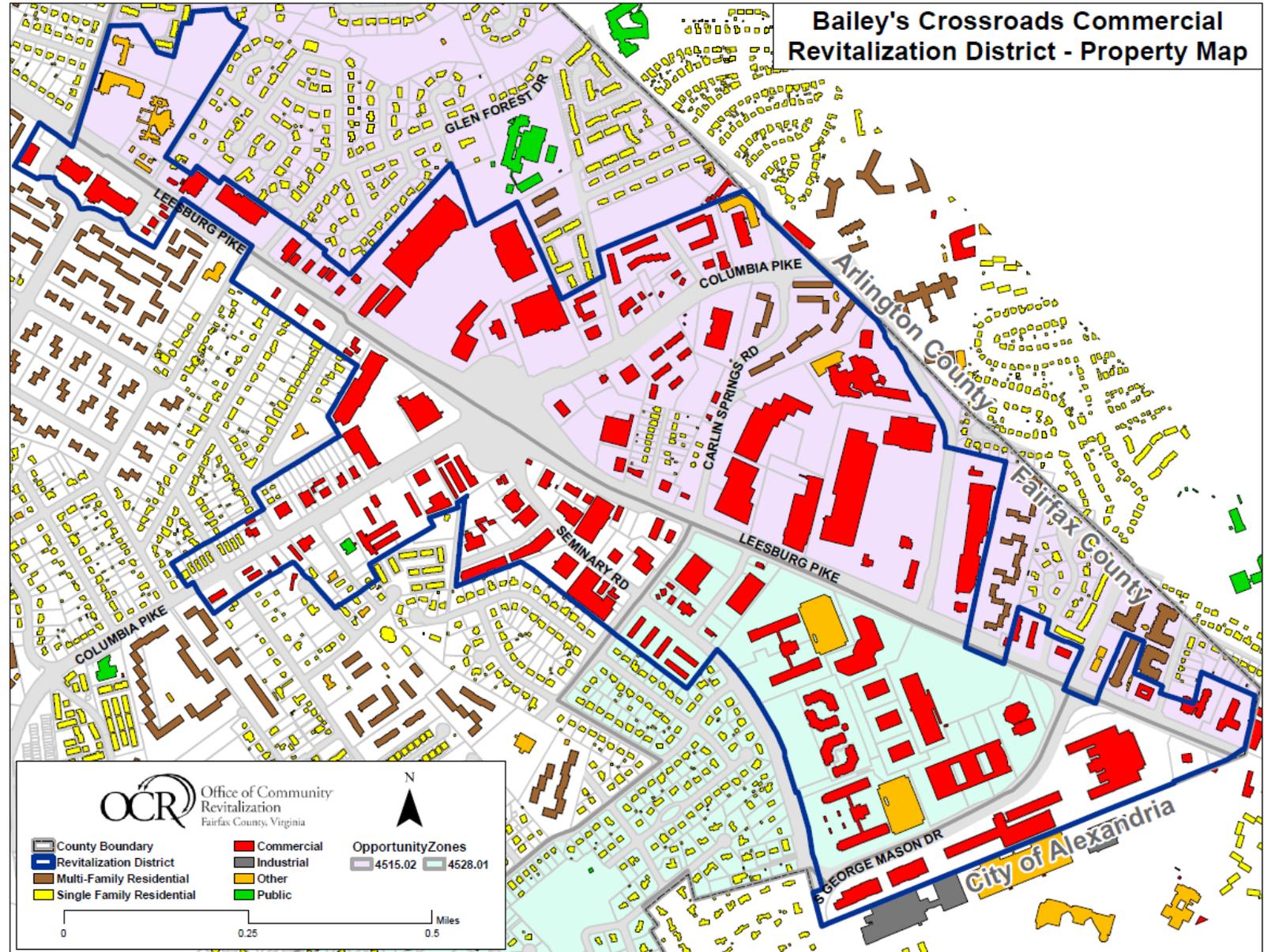
After BOS adoption of new ordinance,

- Prepare application forms and procedures
- Conduct internal training
- Conduct extensive outreach and education to residents and the business community about the new program
- Develop tracking system

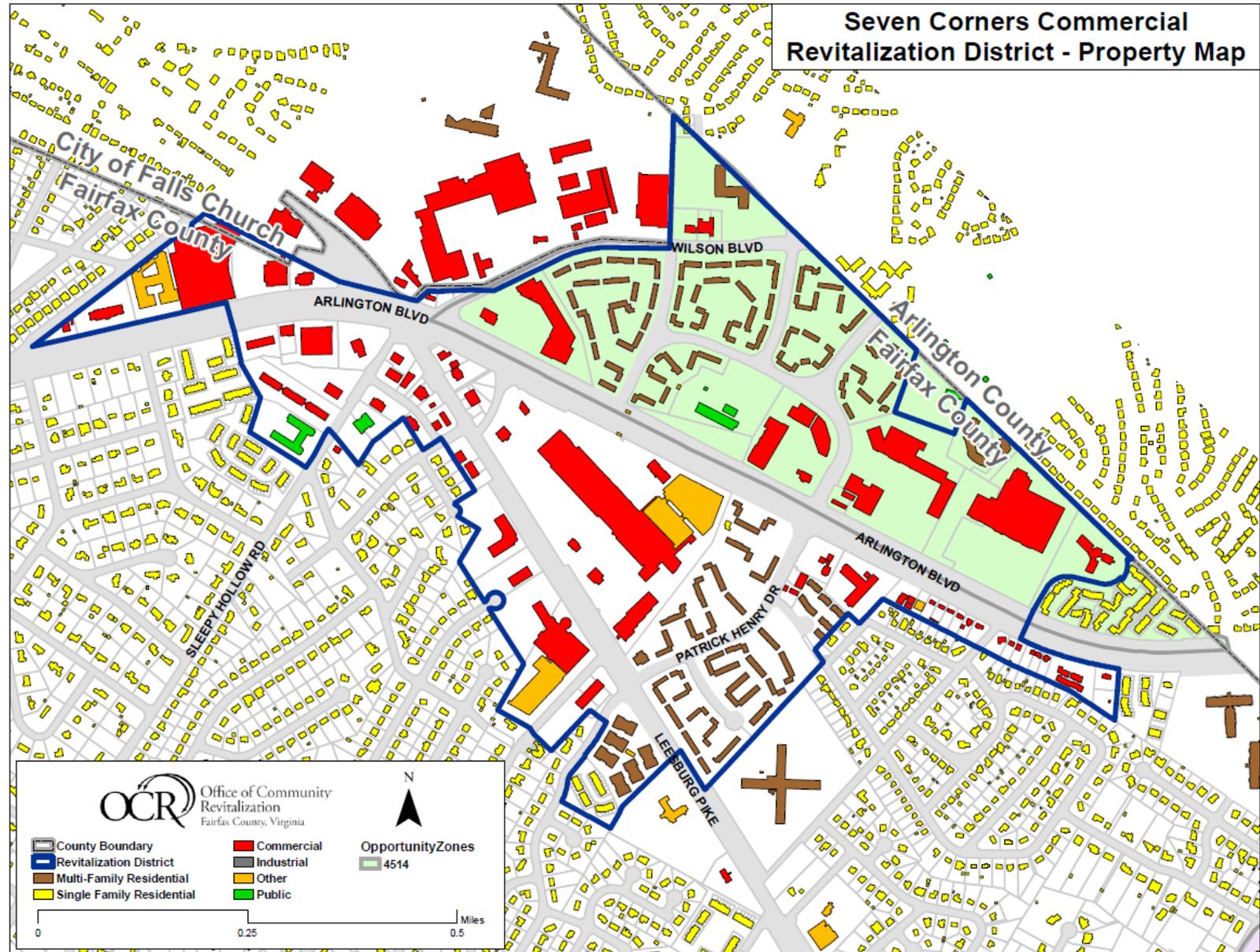
Annandale



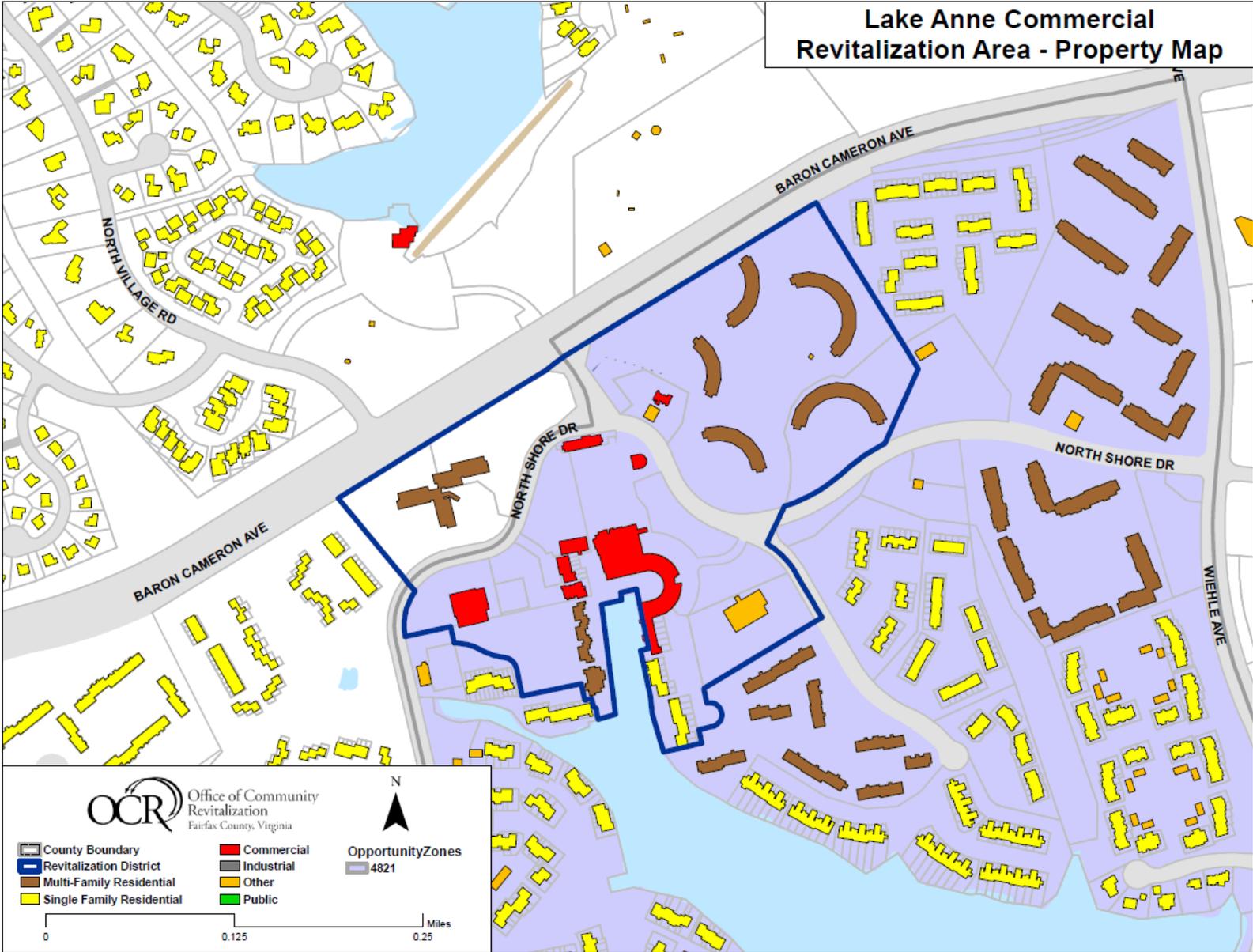
Bailey's Crossroads



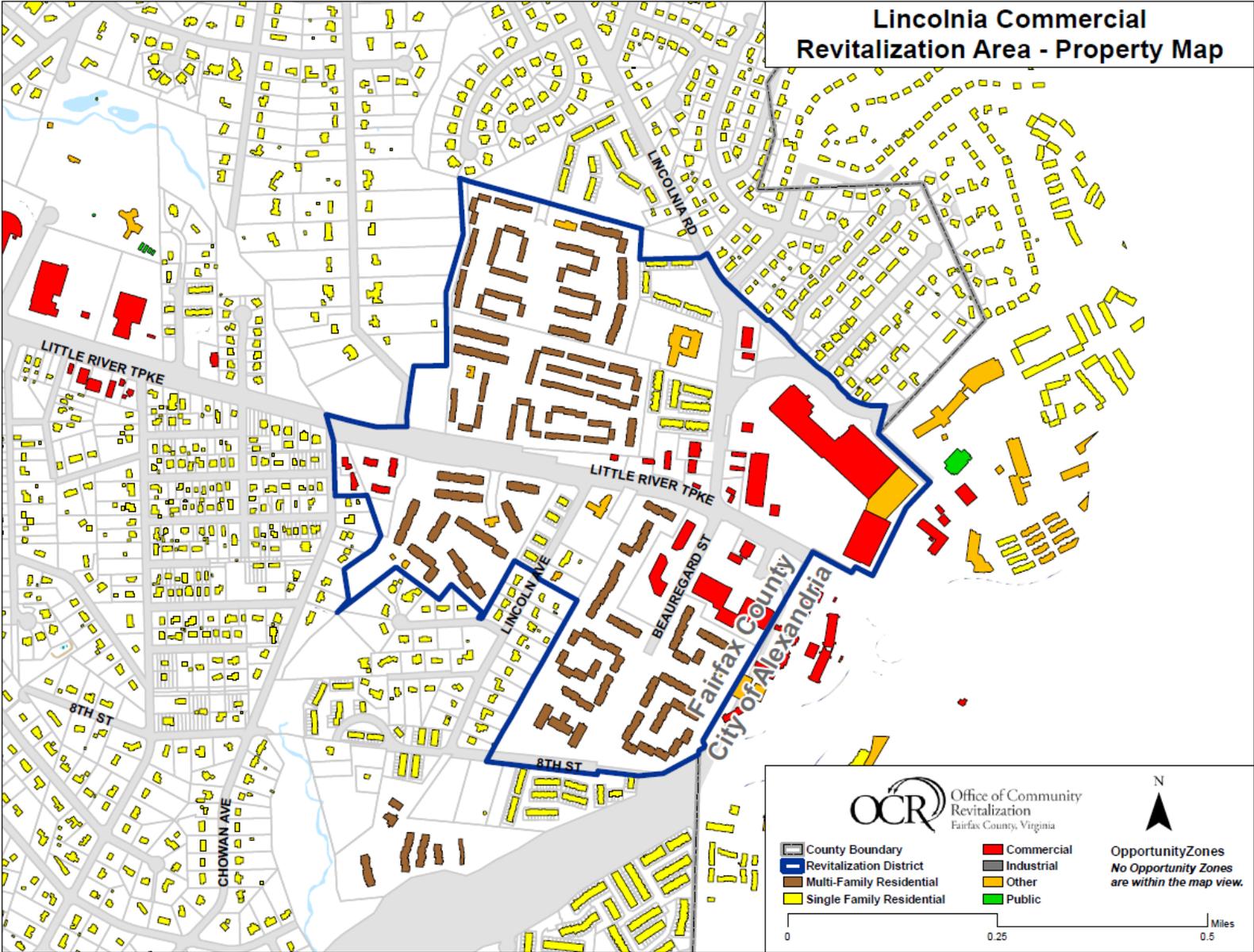
Seven Corners



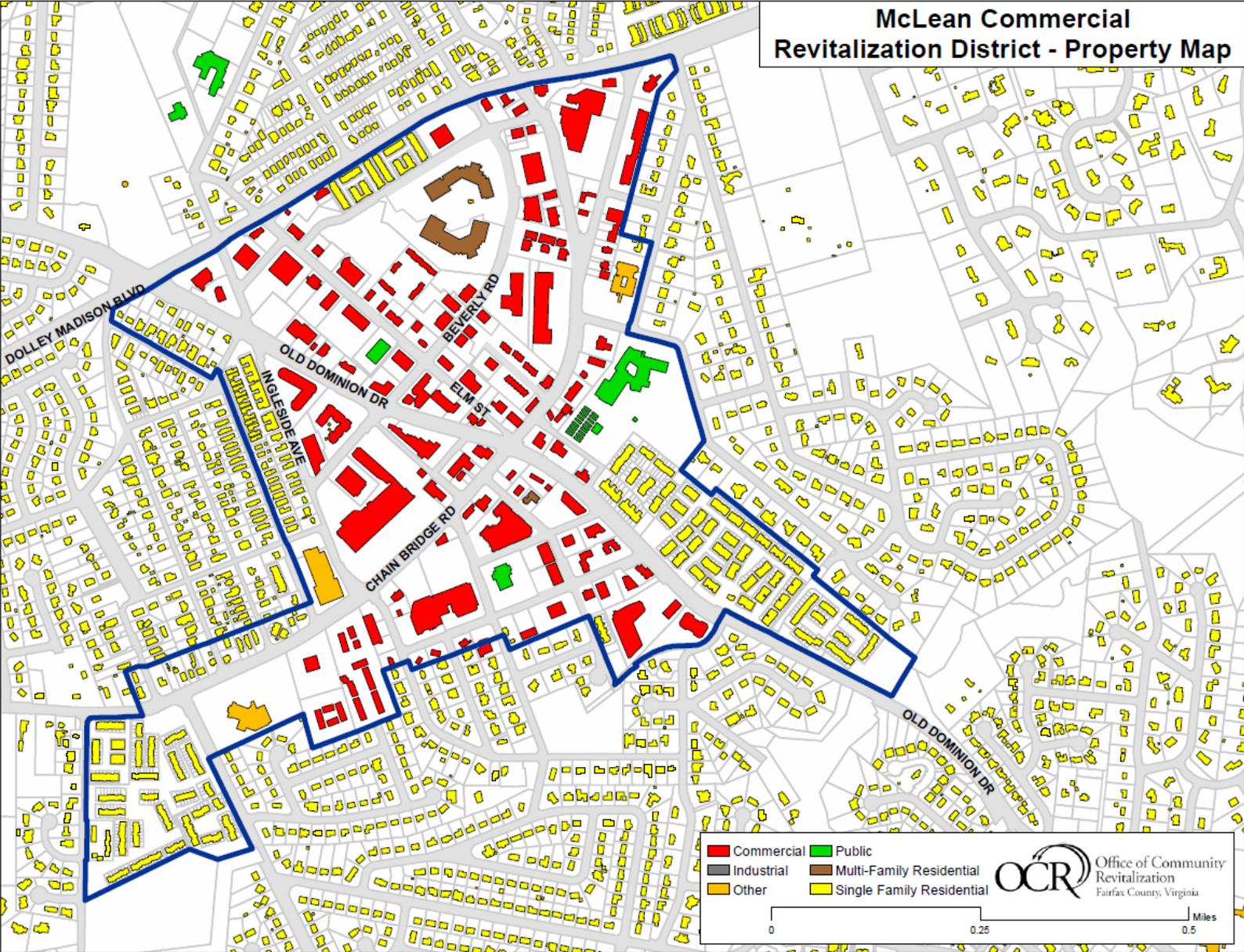
Lake Anne

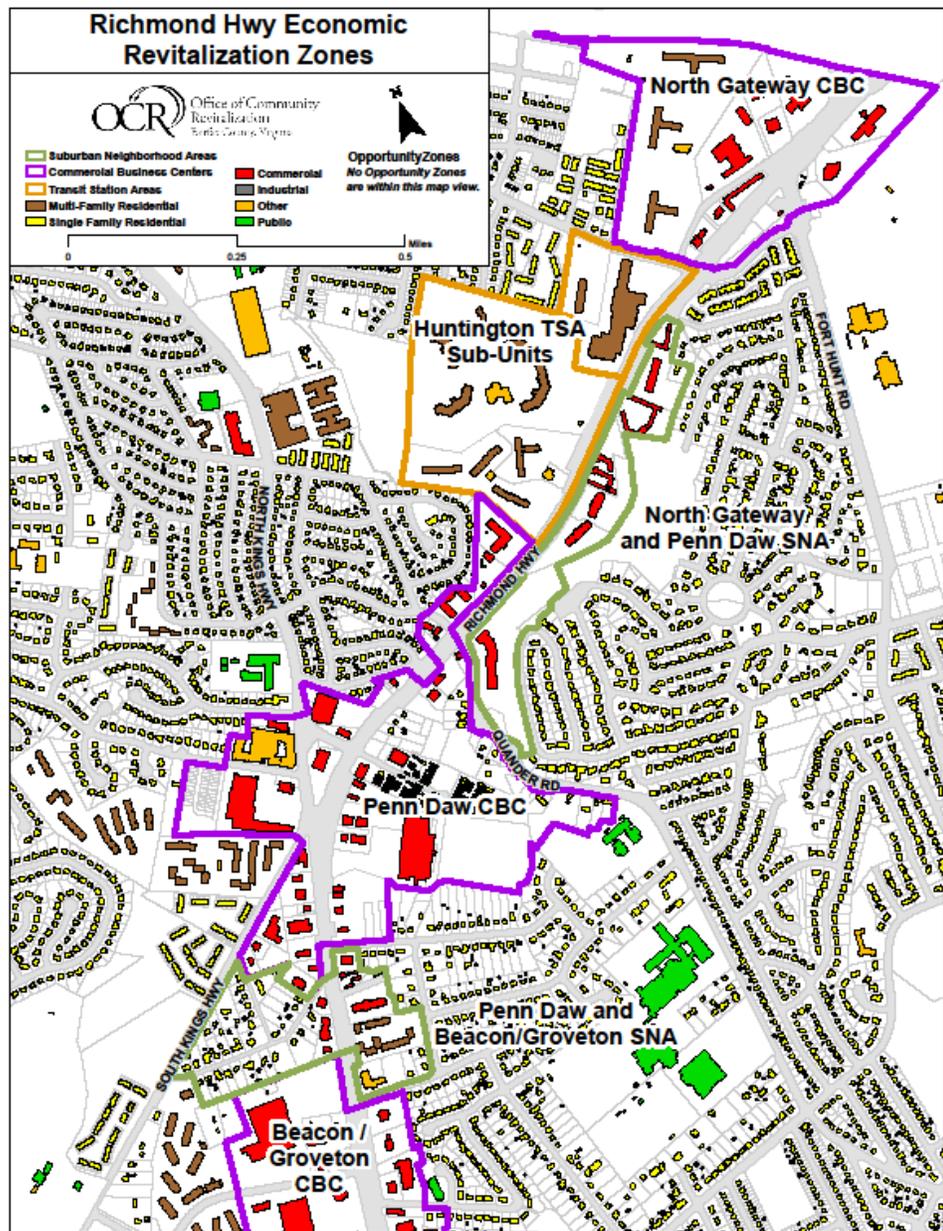


Lincolnia

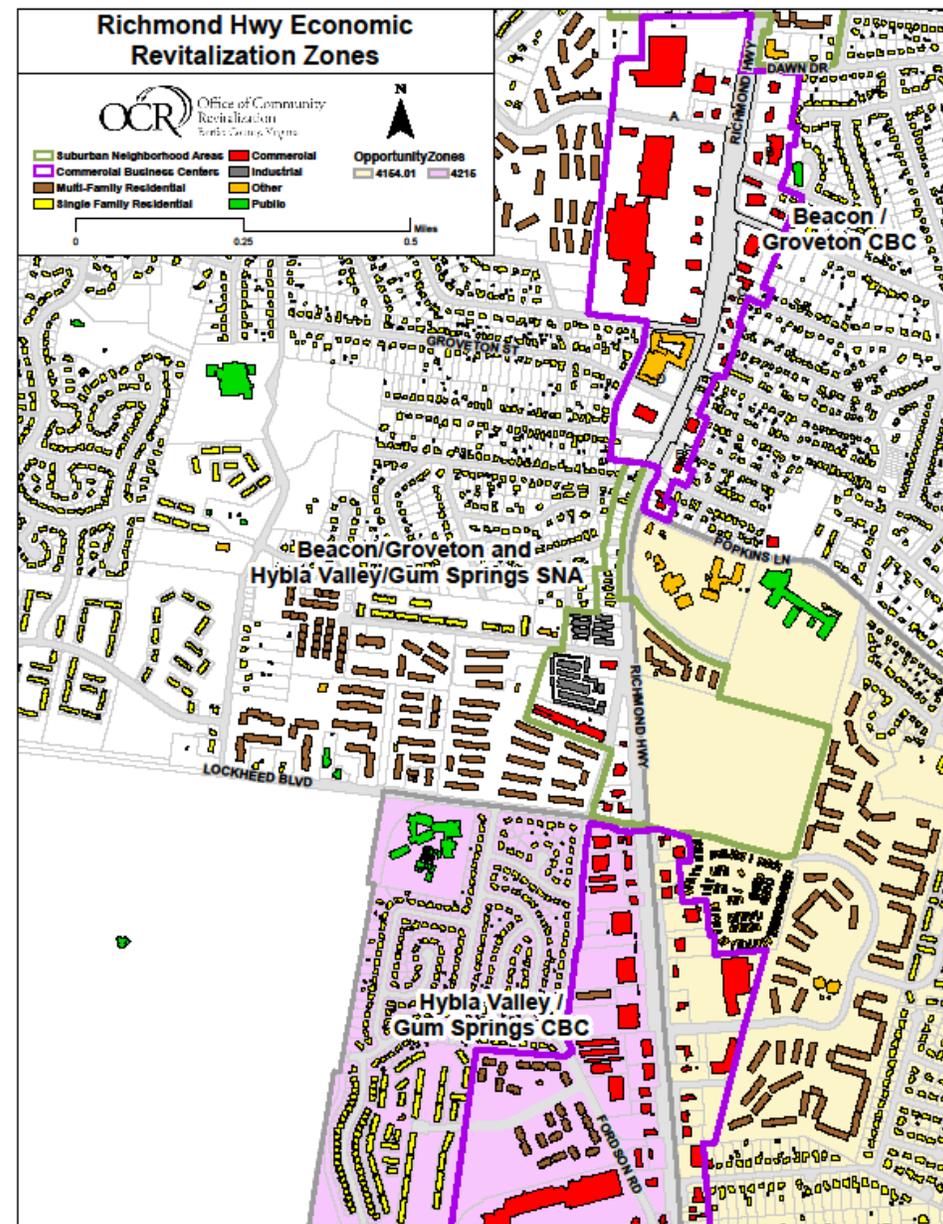


McLean

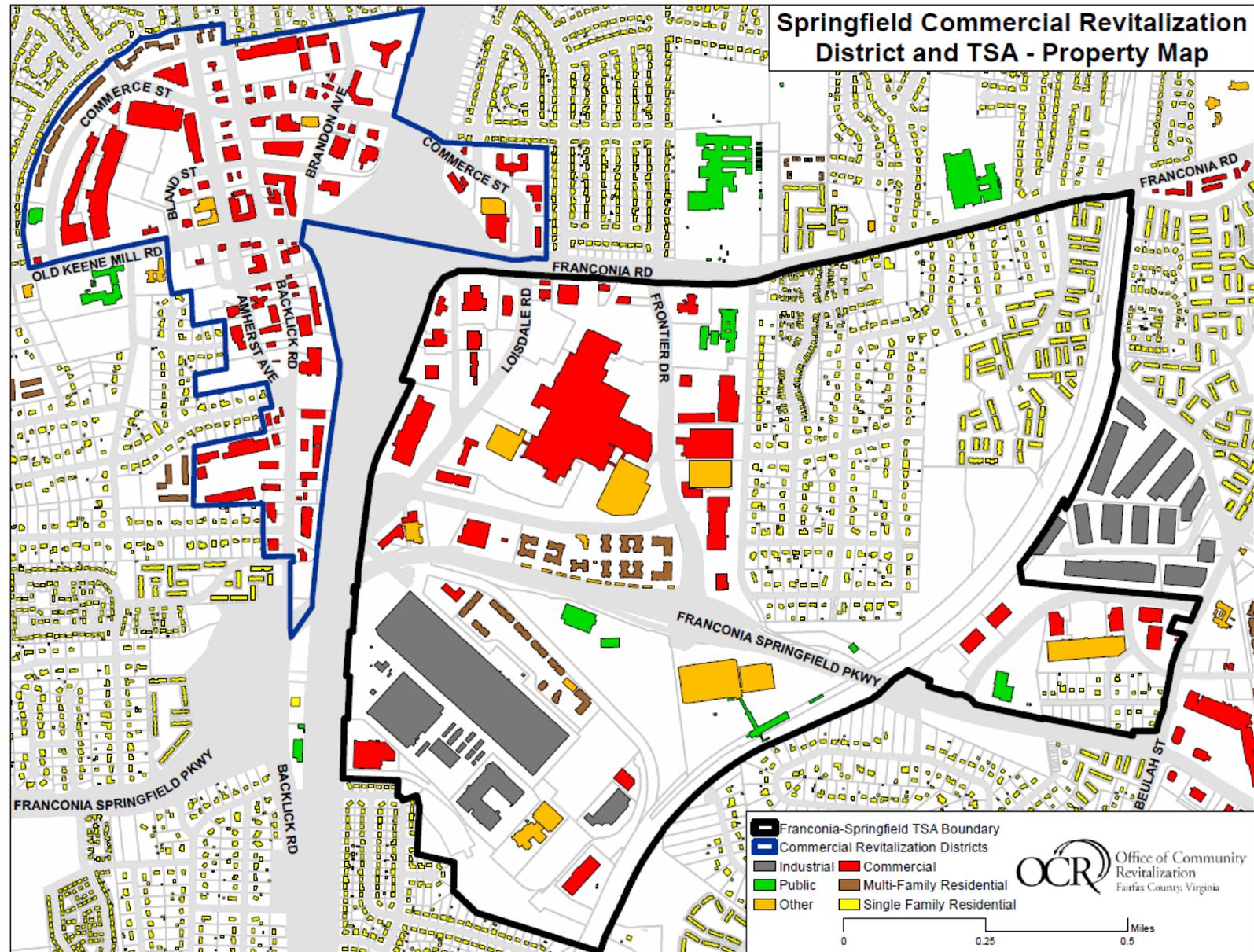




Richmond Highway



Springfield



Process

- Applicant submits application to County requesting determination of eligibility in the program
- The applicant could be one or more of the property owners or a third-party developer; all owners would have to concur
- The request will be reviewed by staff (DPD, DTA, LDS) to determine if all eligibility criteria are met
- Staff will issue a provisional approval or rejection letter regarding eligibility
- If application is determined by the Director to be eligible, it is forwarded to the Department of Tax Administration (DTA) for calculation of an estimated base fair market value of the property

Process (cont'd)

- Applicant pursues zoning application (if required) and site plan; Applicant pursues subdivision (if required)
- Applicant gets reduction in site plan fees upfront, rather than getting reimbursed at project fruition
- The Director will submit an eligible application to the Board of Supervisors for approval with a concurrent rezoning application or separately for a by-right development proposal as an Action Item
- After receipt of Board-approved application and written request of applicant, DTA will calculate the final base fair market value (Base Value) for the qualifying property prior to commencement of development
- DTA will make an inspection and determine the Fair Market Value of the qualifying development at the time the applicant makes a written request, which may be initiated any time after construction of any structure is substantially complete

Questions and Discussion