

## VI. CONCLUSION

In total there exist 31.3 million square feet of non-residential development within the study areas and just under 20,000 residential units. Under both current zoning and Comprehensive Plan guidance, development potential for the study areas is significantly greater than existing development. It is important to note, however, that it is unlikely that the full zoned or Comprehensive Plan development potential will be realized due to physical and other factors that may constrain use.

**Figure 11.1: Summary of Development Potential for All Study Areas<sup>5</sup>**

	<b>Non Residential Development GFA (sq.ft.)</b>	<b>Residential Development (units)</b>
Existing	31,252,354	19,968
Zoned Potential	69,536,430	25,894
Comprehensive Plan Mixed Use and Non- Residential Emphasis	72,355,063	30,090
Comprehensive Plan Mixed Use and Residential Emphasis	69,787,917	34,106

A summary of the development potential for each individual study area is provided in the following tables.

**Figure 11.2: Summary of Non-Residential Development Potential by Study Area**

<b>Area</b>	<b>Non-Residential Development Potential GFA (sq. ft.)</b>			
	<b>Existing</b>	<b>Zoned Potential</b>	<b>Comp Plan Max Non Res</b>	<b>Comp Plan Max Res</b>
Beltway South	5,839,506	11,369,306	14,824,074	14,566,832
Franconia Springfield TSA	5,268,836	9,790,777	5,319,941	6,053,200
Huntington TSA	375,858	1,060,489	1,453,198	1,053,198
I-95 Industrial Corridor	8,174,393	19,981,350	20,172,304	20,172,304
Kingstowne CBC	1,518,368	607,086	2,880,428	2,880,428
Lorton Route 1 South	3,744,161	11,378,265	8,813,957	8,593,697
Richmond Highway	4,508,095	12,147,231	14,008,610	11,774,433
Springfield CBC	1,823,137	3,201,926	4,882,551	4,693,825
<b>TOTAL</b>	<b>31,252,354</b>	<b>69,536,430</b>	<b>72,355,063</b>	<b>69,787,917</b>

<sup>5</sup> This chart compares estimates of existing and zoned land uses to those recommended by the Comprehensive Plan. The Comprehensive Plan development potential is presented as two categories to illustrate that Comprehensive Plan guidance could be implemented in a variety of ways.

**Figure 11.3: Summary of Residential Development Potential by Study Area**

Area	Residential Development Potential (units)			
	Existing	Zoned Potential	Comp Plan Max NonRes	Comp Plan Max Res
Beltway South	897	964	904	1,367
Franconia Springfield TSA	1,706	1,900	2,226	2,645
Huntington TSA	5,184	5,490	6,805	7,256
I-95 Industrial Corridor	0	260	0	0
Kingstowne CBC	412	4,469	496	496
Lorton Route 1 South	7,293	8,615	10,300	10,513
Richmond Highway	4,256	3,721	8,088	10,310
Springfield CBC	220	475	1,271	1,519
<b>TOTAL</b>	<b>19,968</b>	<b>25,894</b>	<b>30,090</b>	<b>34,106</b>

The planned development potential in each individual study area is greater than existing development, with the exception of residential development in the Richmond Highway Corridor, which exceeds the zoned potential by 14%. This circumstance is the result of zoning ordinance changes over time that eliminated residential uses from commercial districts, although these residential uses remain

### **Trends Associated with BRAC**

The Center for Regional Economic Competitiveness (CREC) issued a report in July 2007 titled "Assessing the Impact of BRAC in the Northern Virginia Workforce Investment Board Region." The report quantifies the impacts of the BRAC movements to Fort Belvoir and the Quantico Marine Corps Base in Prince William County on jobs, housing, and the economy. In most cases, the report concludes, the impacts related to the BRAC recommendations are relatively small compared to the overall growth trends in the Northern Virginia area. While true from a regional perspective, the impact of the jobs relocation on Fairfax County is significant.

The report assumes more than 23,000 jobs would be moving to Fort Belvoir, as this was the preferred alternative in the Army's Final Environmental Impact Statement (FEIS). In the Record of Decision (ROD), the decision as to where to place 6,200 Washington Headquarters Service (WHS) personnel was deferred. As of spring 2008, that decision had still not been finalized. Additionally, since then, the Army has refined the number of potential number of new jobs to reflect that some jobs now at the post that will be transferred outside the region. Based on this estimate and depending where the WHS workers are sited, Fairfax County could receive anywhere from 13,100 – 19,300 new jobs within its borders from BRAC alone. In addition, although the report mentions additional non-BRAC projects proposed for Fort Belvoir, the impacts of these projects are not included in the data presented on residential population changes.

According to the FEIS, approximately 6.2 million square feet of office space and 7 million square feet of parking will be constructed at Fort Belvoir main post and EPG to accommodate and support the BRAC jobs being relocated to the post. There are also six non-BRAC construction projects proposed for the base that are expected to begin within the next five years that will total nearly 1.2 million square feet. These include the National Museum of the U.S. Army (155,000 sq ft for Phase I), a Museum Support Center (124,800 sq ft), expansion of the Information Dominance Center (300,000 sq ft), expansion of the Post Exchange (186,300

sq ft), a new physical fitness center (158,000 sq ft), and a facility for the Operations Security Evaluation Group (130,000 sq ft). Finally, construction to replace and renovate on-base housing (the Residential Communities Initiative) is expected to continue through 2011.

The CREC report concludes that “the total regional economic output would be increased to nearly \$7 billion during 2007-2011.” Of that amount, approximately \$5.8 billion would be in Fairfax County. The direct increase in personal earnings estimated related to the Fort Belvoir projects (BRAC and non-BRAC combined) would support over 47,000 jobs over the next four years. Most of those workers would be associated with construction expected in 2008 and 2009 when most of the major building projects will be started, and will taper down as construction slows.

Indirect and induced “spin-off” impacts, the CREC report projects, would create a net of 879 professional and administrative service jobs outside the base. “Assuming a requirement of 250 square feet per worker, this would suggest a demand for about 220,000 square feet of office space in the area directly related to needs of these professional and administrative service firms.” Estimated increases in retail sales would total a net of \$54.4 million. This would generate “a need for a total of at least 100,000 to 130,000 square feet of related retail space.” Not all of this space would be needed near the two military installations because much of the new retail purchases would be expected to be captured on base or closer to workers’ residential locations.

As a result of the BRAC recommendations affecting the Northern Virginia area, Fairfax County is expected to see a net residential population increase of less than 300 people in the near term. This would appear to be significantly less growth than one would assume given the possible influx of as many as 23,000 jobs to Fort Belvoir. However, since most of the jobs are being shifted to Fort Belvoir from locations within the region, the CREC anticipates that few of those workers will move from their current residential locations. Those workers will instead choose to modify their commute. “By comparison, during the past six years, Fairfax [County] added 6,800 new residents per year...” Therefore, the report concludes, the BRAC-related impact on housing will be minor compared to over-all growth trends. Information is not presented on the where workers associated with non-BRAC projects and spin-off employment will locate. The report does not examine the impact of traffic congestion and resulting commute times on employees’ choice in residential relocation or changing jobs.

As mentioned previously, the Army is still considering where to move the 6,200 jobs associated with the WHS. Currently the General Services Administration (GSA) warehouse site near the Franconia-Springfield metro is being studied as a possible location, as is Victory Center on Eisenhower Avenue, and the Mark Center on Beauregard Street in Alexandria, Virginia. If any of these sites is chosen, Fairfax County can expect to see impacts, both positive and negative. The Army is currently investigating the viability of these alternative locations, and is expected to make a decision in summer 2008 whether any or all of them will be included for analysis in the Environmental Assessment to be prepared.

### **Real Estate Market Conditions**

Market analysis of non-residential land uses is based on data reported in the Real Estate Report published by the Economic Development Authority (EDA) of Fairfax County, which tracks office, industrial and hotel construction and absorption activity. The three areas relevant to the BRAC

existing conditions study are the submarket areas of Newington/Lorton, Richmond Highway, and Springfield/Franconia. The geographical boundaries of these submarket areas differ from the subject area boundaries highlighted in this report: The Newington/Lorton area is located along Interstate 95; the Springfield/Franconia submarket area surrounds the I-95//I-495/I-395 juncture, and the Richmond Highway submarket generally corresponds to the area along U.S. Route 1 from the city of Alexandria to Woodlawn Plantation at Old Mill Road, and also includes the Huntington Transit Station Area. Although not coterminous, because of the proximity of these submarket areas to the subject study areas the real estate market information is of interest.

#### *Office*

The Newington/Lorton submarket had a total inventory of 551,309 square feet of office space at midyear 2007 (the latest figures available) which was the same amount as at midyear 2006. In midyear 2007, there was slightly less office space available for lease, compared to the year before. The overall vacancy rate was nearly zero in both years indicating a fully-occupied office market.

The Springfield/Franconia submarket had a total inventory of 4.2 million square feet of office space at midyear 2007, which was approximately the same as at midyear 2006. At midyear 2006, there was a little over 100,000 square feet more office space available for lease compared with midyear 2006 (508,600 square feet in 2006 vs. 432,000 square feet in 2007). The midyear 2007 office vacancy rate in this submarket was 10.2 % compared to 12% a year earlier. There was no new office construction activity in the area during this time period.

The Richmond Highway submarket is located along the Route 1 corridor and also includes areas around the Huntington Metro station. The Richmond Highway submarket had an inventory of 1.04 million square feet of office space at midyear 2007, exactly the same as in midyear 2006. The vacancy rate at midyear 2007 was essentially the same as at midyear 2006 (17.5% vs. 17.4%). At midyear 2007 there was no office construction activity in the area compared with 6,000 square feet at midyear 2006.

Overall, because of a lack of office space, the three study submarkets are not keeping pace with the office market in other submarket areas of the county. The total office leasing activity in Fairfax County at midyear 2007 equaled 4.6 million square feet paired with a total leasing activity of 190,199 square feet for the three submarket areas. In the years from 2003 to 2007, the three submarkets accounted for 4.2% of countywide office leasing activity. In terms of inventory, the three submarkets also accounted for an average of 5.4% of the countywide office space over the same time period.

#### *Hotel*

The hotels analyzed in the Real Estate Report include those with a capacity of more than 75 rooms. Of 86 such hotels in the county, Newington/Lorton has one, Richmond Highway has six, and Springfield/Franconia has ten, totaling 2545 rooms. As of 2008, one hotel in Springfield and three hotels in the Richmond Highway Corridor were under construction. In total, these will add 473 new rooms. As indicated in the Real Estate Report, at midyear 2007 there were five hotels for sale in the county. Two of these hotels were located in the Richmond Highway or Springfield/Franconia subject submarket areas.

### *Industrial/Flex*

The Springfield/Franconia submarket, which includes the Beltway South Industrial Area, is the largest industrial/flex market in Fairfax County with more than 10.7 million square feet of space. This inventory was unchanged from midyear 2006. At midyear 2007 the submarket had nearly 500,000 square feet of available space. At midyear 2006, amount of available space was 678,000 square feet. The Real Estate Report for this submarket area indicates 372,000 square feet was absorbed by midyear 2007, and 256,000 square feet was absorbed by midyear 2006. The overall vacancy rate was 5.2%, down from 6.3% a year earlier.

The Newington/Lorton submarket area is the second largest industrial/flex market in Fairfax County and had more than 10.3 million square feet of space, of which 813,400 square feet was available at midyear 2007. In midyear 2006 these figures were 10.3 million square feet and 740,000 square feet respectively. The Real Estate Report indicates leasing activity of 305,000 square feet of industrial/flex space at midyear 2007 compared with 580,000 square feet of leasing activity at midyear 2006. The vacancy rate of 7.9% in midyear 2007 was nearly unchanged from 7.2% a year earlier.

With only 79,000 square feet of industrial/flex space at midyear 2007, the Richmond Highway submarket area is the fourth lowest in Fairfax County among all submarket areas. This area did not have any available industrial/flex space in 2006 or 2007. The Richmond Highway submarket contains a designated revitalization area, which is planned to be redeveloped as a series of mixed use residential and commercial nodes.

In total, industrial/flex leasing activity for all county submarket areas combined at midyear 2007 was 1.2 million square feet, of which 56.5% occurred in the Springfield/Franconia and Newington/Lorton submarket areas. From a historical perspective, in the years from 2003 to 2007 the three submarkets averaged of 47% of all countywide industrial/flex leasing activity, with a high of 56.5% in 2007. In terms of inventory, the three submarkets contain almost 55% of the industrial flex space in the county.

## **Observations**

### *Hotel Market*

The Real Estate Report for midyear 2007 indicates that there are 86 major hotels (with a capacity of 75 plus rooms) in the county. According to the report, Newington/Lorton submarket area has one such hotel, Richmond Highway has six of these hotels, and Springfield/Franconia has ten of these hotels. A total of 2,545 hotel rooms are available, but some of these are older properties that have not been renovated to provide updated conveniences. In terms of new development, one hotel in Springfield and three hotels in the Richmond Highway Corridor are under construction. Together, these hotels will add approximately 475 new rooms.

Two aspects of BRAC-related activities may affect this market. First, the future Army Museum will increase tourism in the area. The new hotel development in the corridor may accommodate this influx of visitors. Second, while the expected housing impact caused by direct BRAC jobs is nominal, the CREC report estimates that the total impact of all BRAC and non-BRAC related construction activities planned at Fort Belvoir and Quantico would create 50,359 construction and related jobs between 2007 and 2011. The report further stresses that the region does not have sufficient construction workers to meet the demand. Despite the recent down turn in the real estate market, it may be assumed that the housing need for some of these construction

related jobs would be temporary in nature as a result of importing workers from other regions. Preference for the type of temporary housing needed to meet the demand would be based on the extent of stay for the construction employees. Because the exact nature of the jobs is not known at this point, a demand for extended stay hotels/motels may exist.

In the Springfield/Franconia, and Newington/Lorton areas there are only two extended-stay hotels with capacities of more than 75 rooms. In the Richmond Highway and Huntington Transit Station Area (TSA), there are six hotels with capacities of more than 75 rooms. A few of these hotels have kitchen facilities but none are classified as extended stay facilities, although of the new hotels under construction do include extended stay facilities. Most notably, the Huntington TSA does not have any hotels. It is an area that is supported by Metrorail and major highways. To provide a balance of uses, hotel development in the Huntington TSA may prove to be beneficial, especially because of the area's access to Metrorail and major highways.

#### *Seek Land Use Balance Within Activity Centers*

While the Comprehensive Plan guidance supports a balance of residential, office and retail uses within Community Business Centers (CBCs) and Transit Station Areas (TSAs), the areas considered in this study are generally dominated by one use. For example, the Richmond Highway Corridor nodes, the Springfield CBC and Franconia/Springfield TSA are characterized by retail uses. In the Richmond Highway Corridor, an Urban Land Institute Panel (ULI) convened in 2005 recommended improving the image of the corridor as a way to encourage office use, and suggested combining office, residential and hotel uses (or civic space) within mixed use developments to achieve this goal. In the Springfield CBC, a 2006 ULI panel recommended the creation of both a mixed use village center and mixed use urban development to bring residents to the area and provide them with open space and a walkable environment. Improving the mix of non-residential and residential land uses has benefits that include reduced congestion, driving time, and air pollution. The BRAC impact analyses completed to date by the Army and Northern Virginia Labor Board suggest that most Department of Defense employees will not relocate immediately. However, in staff's opinion, housing location choices may change over time if housing in activity centers offers a shorter commute and attractive life style amenities.

#### *Encourage the Establishment of Satellite Office Uses*

The BRAC actions are projected to have a significant impact on the number of commuting trips because the majority of jobs being relocated to Fort Belvoir are held by workers already living within the Washington D.C. region. Some BRAC functions supported by contractors located elsewhere in the region may wish to establish satellite offices nearer Fort Belvoir to cut down on commuting time and avoid congestion. Satellite offices that share resources can increase efficiency and productivity. The development of clusters may be fostered in stand-alone office buildings or in activity centers as part of a mixed use environment.

#### *Preserve Industrial Use*

The Beltway South Industrial area is a prime location for industrial uses given its location at the junction of two interstate highways with a rail line passing through it. Interstate-95 serves as the primary north-south corridor connecting major cities along the east coast. Rising rents for industrial/flex space in this prime market have caused some businesses to seek locations further west, in Prince William County, Loudoun County, and Winchester, Virginia. In addition, the disparity between the higher rents for office space (approximately \$25-\$28 per square foot or psf) versus the rental rates for industrial (\$8-\$9.60 psf) and flex (\$11.25-\$13.86psf) space as well as the high costs of land and construction, result in pressure to redevelop industrial

properties to office uses. These factors could lead to a loss of industrial space in this area of the county. In recognition of the need to preserve industrial land, the Planning Commission recommended that the Beltway South Industrial area not be eligible for nomination in the BRAC-related Area Plans Review process.

#### *Explore Opportunities for Work Force and Affordable Housing*

The CREC report concludes that the impact caused by construction workers employed for activities directly and indirectly related to the realignment process is greater than the impacts caused by the relocation of Army jobs. The report suggests that only 677 new BRAC workers will move into the region causing relatively minor housing impacts compared to the natural growth forecasted. However, construction workers, new employees and their households will face expensive housing costs. According to the State of the Poor 2007 Report published by the Fairfax County Community Action Advisory Board, median housing values have increased tenfold since 1970, whereas the median household income increased only five and a half times. Although the acceptable standard for any household to spend on housing is 30% of its income, more than a quarter of Fairfax County homeowners spend more. The median value of owner-occupied housing units increased by 54% between 2000 and 2004. As of April 2007, there were 11,756 people on the waiting list for public housing, housing choice voucher and Fairfax County rental assistance programs. These figures do not include information on recent foreclosure activities that also may influence affordability and housing availability.

The Board of Supervisors' goal for affordable housing is to provide opportunities to all who live or work in Fairfax County to purchase or rent safe, decent, affordable housing within their means and that these units should be located as close as possible to employment opportunities. Affordable housing is defined as housing that is affordable to households with incomes up to 120 percent of the Area Median Income (AMI) for the Washington Metropolitan Statistical Area (MSA). The county's Affordable Dwelling Unit (ADU) program produces units affordable to households earning 70% or less of the AMI.

A newly added policy to help address the high cost of housing is the Workforce Housing initiative, which provides rental or for-sale housing that is affordable to households with specified maximum income limits. Similar to the ADU program, development of workforce housing units also provides bonus market-rate units as an incentive to developers. Increasing the number of workforce housing units in Fairfax County to provide relocating BRAC employees with access to affordable housing is encouraged.

#### *Review Accotink Village Land Use Recommendations*

Although not included as a study area in this report, Accotink Village could play an important role in responding to the needs created by the BRAC actions and other future development at Fort Belvoir. Accotink Village is located along Richmond Highway/U.S. Route 1 and abuts Fort Belvoir. Currently, Accotink Village consists primarily of single family residential units along Backlick Road, with some commercial uses and multifamily residential rental communities fronting on Richmond Highway. Due to its proximity to Fort Belvoir, the Planning Commission determined that this area should be eligible for nomination in the BRAC-related Area Plans Review process.

### **Final Thoughts**

The BRAC movements to Fort Belvoir will create significant impacts on Fairfax County and the surrounding communities. These impacts are detailed in the Final Environmental Impact Statement prepared by the Army in 2007. BRAC will also create new opportunities in areas of the county that have been planned for revitalization for many years. Fairfax County is in the process of planning to mitigate the impacts off post, accommodate the additional growth necessary to support the relocations, and take best advantage of the opportunities for economic growth and revitalization.