



Implementing the Future of Tysons Corner
Tuesday, September 18, 7:00 – 9:00 p.m.
Capital One Auditorium, 1680 Capital One Dr., McLean, VA 22102

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DEFINITIONS OF KEY TOOLS FOR PLAN IMPLEMENTATION

Since 2006 the Implementation Subcommittee of the Tysons Land Use Task Force has been meeting to study and analyze the tools that will be needed to help transform Tysons Corner. This document contains definitions of some of the key tools and terms that have been identified. These tools address the three (3) areas that will necessarily impact the implementation of the New Tysons Plan: organizational, financial and regulatory. The list below is not exhaustive, and some of these vehicles will fall into more than one category.

I. **Public-Private Partnerships**

According to the 2002 Urban Land Institute publication, Ten Principles for Reinventing America's Suburban Business Districts, "In most cases, the successful transformation of a suburban business district depends on the *ability of the private and public sectors to cooperate under a partnership arrangement* that engenders community support, minimizes project risk, and delivers place-making dividends to all stakeholders. The place-making dividend accrues to both the developer and the community. Therefore, it is only fair that both should invest in its creation by way of a partnership that leverages the investments of both." (page 20)

Virginia state law permits the formation of public-private partnerships in several ways, three of which are described below.

A. **Community Development Authority (CDA)**

Under Virginia law, *CDAs* are broad managerial and funding mechanisms available to implement capital projects and/or larger development plans through various means, including taxing, issuing debt, setting up Special Districts, and using financial tools such as Tax Increment Financing and others discussed below. *CDAs* may be created by counties upon petition by 51 percent of landowners by land area or by assessed value. The Board of Directors of the *CDA* is appointed by the Board of Supervisors from among property owners in the *CDA* district. Services and public investments can be financed by special real estate taxes within the district, not to exceed 25 cents per hundred of assessed value unless petitioned each year by all property owners in the district. Services and investments can also be financed by special assessment with no limit. *CDAs* are allowed to issue debt.

Recent projects making use of *CDAs* include Dulles Town Center (Loudoun County) and Virginia Gateway and Heritage Hunt in Prince William County.

B. Improvement Districts

An Improvement District is an organizing and financing mechanism used by property owners in specified areas. In Virginia counties, Improvement Districts are permitted as a type of Special District, in order to upgrade amenities and improve services that the government does not, or cannot provide. Unlike Special Assessment Districts, Improvement Districts can address a wide variety of services and are not limited to specific projects.

Services provided by Improvement Districts may include construction and maintenance of public facilities; transportation; water; sewer; street cleaning; economic development and business promotion; recreation and cultural activities; beautification and landscaping; cleaning and snow removal; and public parking. Property owners benefiting from the enhanced services in an Improvement District pay a special real estate tax assessment to cover their operating costs. (In Virginia, Special Districts are not allowed to issue debt.)

Other types of Special Districts include Special Assessment Districts and Parking Districts.

1. In a Special Assessment District, properties that will benefit directly from an infrastructure improvement are taxed for the cost of the specific improvement only.

2. In a Parking District, garage construction is funded by a real property tax on properties located within the district. (Construction is also funded by parking fees.) Properties in the Parking District are not required to provide parking in new developments. Parking Districts are being used in Bethesda, Maryland.

C. Public-Private Education and Infrastructure Act of 2002 (PPEA)

PPEA allows Virginia local governments to form partnerships with the private sector to develop non-transportation related projects. These may include buildings for principal use by a public entity; equipment or improvements to enhance public safety and security of such buildings; utility and telecommunications and other communications infrastructure; and recreational facilities. *PPEA* funds may be used for both new construction and renovation, expansion, operation and maintenance of qualifying projects.

II. **Public Financing Tools & Terminology**

A. **Tools**

1. **Tax Increment Financing (TIF)**

Virginia counties can identify *TIF* districts in which the current real estate tax base is held constant or frozen in place. Subsequently, new real estate taxes from redevelopment within the district are allocated to a special *TIF* fund. The county can then issue *TIF* bonds for specific public amenities identified within the overall Plan for the District, including roads, water, sewer, parks and open space. Once the bonds are paid off, the tax increment goes to the County.

2. **Tax Abatement**

Fairfax County's current Tax Abatement Program provides incentives to property owners within commercial revitalization areas. Owners of buildings that are older than 25 years are encouraged to make improvements that increase value by 25% or more. In return, the County grants the owners full abatement of property taxes on the increased value for 12 years. The tax abatement transfers with the property.

3. **Transfer of Development Rights (TDR) and Air Rights**

TDR programs allow landowners to sever development rights in their properties which are in designated low-density areas, and sell them to purchasers who want to increase the density of their development in areas selected for higher density. The property owner who is transferring development rights receives compensation from the property owner who wants to increase density. *TDRs* can be used, for example, to preserve and/or create open space, or to encourage higher density development in Transit Oriented Development areas. Buying and selling Air Rights to adjacent buildings or over government property, including roads, is another way to shape the form and location of new development. *TDRs* have been used by Montgomery County, Maryland, to protect over 40,000 acres in its agricultural reserve. In Washington, D.C., *TDRs* are being used to concentrate high density development in the designated Central Business Districts while keeping densities lower in surrounding areas.

4. **Impact Fees**

Impact fees are payments by developers to local governments for their proportionate share of the cost of construction or expansion of infrastructure. Fees are calculated based on the need for additional facilities generated by a specific development project. Impact fees are typically collected prior to construction and earmarked for future construction of related infrastructure or facilities. In Virginia impact

fees are being used by the City of Newport News and by Arlington and Henrico Counties.

B. Terminology

1. Capital Improvement Program (CIP)

Government expenditures may be divided into operating costs and capital costs. Operating costs are generally ongoing expenditures for staff and for operating and maintaining capital facilities. Capital costs may be one-time expenditures for the construction of facilities such as public buildings and infrastructure. Local governments generally maintain both an annual operating budget and a multi-year capital budget, called the Capital Improvement Program or *CIP*. The *CIP* projects the needs for capital facilities out 5 to 6 years in the future. This is intended to permit the local government to acquire land, design new facilities, and construct them in time to serve expected new development. In this way, the *CIP* links the County's budget to the planning process.

2. Bonded Debt

Capital facilities are often funded through the use of bonded debt. The County may issue bonds backed by its general revenues; these are called General Obligation Bonds. The County may also issue Revenue Bonds; these are backed by special revenues associated with the capital facility, such as parking fees from a garage.

III. Planning & Zoning Tools & Terminology

A. Comprehensive Plan

Most states require that a local government draft and update a Comprehensive Plan. This plan provides guidance on appropriate development for different geographic areas of the jurisdiction. The Plan is "comprehensive" in that it includes a number of elements in addition to Land Use. In Fairfax County, these elements include Transportation, Housing, Environment, Heritage Resources, Public Facilities, Parks and Recreation, and Trails. The existing Comprehensive Plan for Tysons Corner may be found at www.fairfaxcounty.gov/dpz/comprehensiveplan/area2/tysons1.pdf. The Tysons Land Use Task Force is currently working with the citizens of Fairfax County and its consulting team to draft a new plan for Tysons Corner.

B. Zoning Ordinance

The Zoning Ordinance contains the regulations through which a local government implements its Comprehensive Plan. The ordinance includes requirements regarding acceptable uses, densities and floor area ratios, building heights, setbacks,

and parking. These requirements must be carefully described in the ordinance so that they reflect and support the Plan.

In Fairfax County, rezoning applications currently receive initial review by staff from the Department of Planning and Zoning, with input from more than a dozen other County, state and regional agencies. Staff reports are presented at public hearings before the Planning Commission and then the Board of Supervisors.

C. **Proffer**

In Fairfax County, applicants seeking an amendment to the zoning map often submit a proffer statement in support of their application. Proffer statements typically address such issues as environmental protection, noise mitigation, tree preservation, buffering, and transportation and public facility impacts. Proffers are required to be signed by all owners and contract purchasers of property subject to a rezoning application. Once a rezoning is approved, the proffers become a part of the property's zoning and must be complied with.

D. **Incentive Zoning**

Incentive zoning offers developers higher Floor Area Ratios (square feet in building divided by square feet of land on the site, or FAR) and/or greater heights, in exchange for community benefits like parks, affordable or workforce housing, and mixed use development. There are many different ways this type of incentive is structured in the different jurisdictions where it is used.

Incentive zoning has been successfully used in the Rosslyn-Ballston corridor in Arlington County and in the revitalization of Silver Spring in Montgomery County, to make sure there are adequate public amenities to support the desired development.

E. **Form-Based Codes**

Form-based codes are a form of zoning that concentrates on the visual aspect of development, or the places created by buildings. They address the relationship between building facades and streets and sidewalks, the form and mass of buildings in relation to one another, and the scale and types of streets and blocks. The regulations and standards in form-based codes are presented in both diagrams and words and are keyed to a regulating plan that designates appropriate form and scale. Arlington County has optional form-based codes for redevelopment along the Columbia Pike corridor.

This type of zoning is appealing to developers as it greatly expedites the approval time for their projects if they meet the Code requirements. The jurisdictions

end up with the “Place” they are hoping to see develop. The drawback to this type of zoning is its lack of flexibility as times and needs change.

F. Transportation Demand Management (TDM)

Transportation Demand Management or *TDM* is an umbrella term for strategies that change travel behavior, such as how, when and where people travel. The purposes of *TDM* include reducing traffic congestion and improving mobility for pedestrians and bicyclists. *TDM* strategies include improved transportation options, such as light rail and bus rapid transit, shuttle services, ridesharing and carsharing; incentives to reduce driving such as High Occupancy Vehicle (*HOV*) priority; and parking and land use management strategies, such as transit oriented development (*TOD*). *TDMs* are financed through various means including government funding, developer *TDM* plans, Improvement and Special Assessment Districts, to name a few. *TDM* plans submitted by developers need to be enforced.

In order to implement the “Blueprint” for Midtown Atlanta, Midtown Transportation Solutions, an initiative of the Midtown Alliance, has promoted a comprehensive transportation system to improve mobility. Their system complements and coordinates public transit and individual corporate programs and includes discounted transit passes, car and vanpools, and bicycle racks and other facilities.

INTRODUCTION TO CASE STUDIES

Attached are case studies of four different organizations that have been successful in implementing whole of parts of various Master Plans. These represent different organizational structures, including Improvement Districts, Community Development Authorities, membership organizations and combinations thereof.

There are many other examples throughout the U.S. – and within our own metropolitan area -of organizations that have successfully implemented visions for transforming their communities. No single example is likely to be ideal for us in every respect. Rather, the Land Use Task Force expects to examine these tools and strategies to determine and recommend something which will be most successful in implementing our own New Plan.

CASE STUDY #1

Organization: Midtown Alliance

Location: Atlanta, GA

Date of Initiation: 1978

Purpose:

- To improve and sustain the quality of life for those who live, work and play in Midtown Atlanta. The Alliance accomplishes this goal through a comprehensive approach to planning and development.

Organizational Structure:

- 501(c)(3) inclusive membership-based nonprofit organization.

Illustrative Plan:

- Blueprint Midtown Master Plan

Main Components:

- Enhanced public safety
- Economic development
- Transportation improvement and management
- Development of urban streetscapes, parks and green spaces
- Environmental maintenance
- Development Review Committee to insure implementation of Midtown Master Plan
- District marketing and member benefits

Implementing Body:

- Midtown Improvement District (MID): est. 2000
 - Self-taxing district made up of Midtown property owners to implement the Blueprint Midtown Master Plan by funding large-scale, local public improvement programs, enhancing public safety, addressing stakeholder issues, and leveraging funding sources
 - Endorsed by City Council after majority of stakeholders (representing 75% of property value) supported the district's formation
 - Initially approved for a six-year term beginning in 2000 and reauthorized for another six-year term

Suborganizations:

- Midtown Blue – the highly visible 24/7 public safety force of off-duty police officers that patrol Midtown area and have the full powers of arrest; responsive to all Midtown criminal activity and emergencies; enforces city ordinances, codes and parking violations; monitors nature and amount of Midtown criminal activity and reports to Atlanta Police Department
- Midtown Green – provides daily litter control and light maintenance; works with City to mend cracked sidewalks, fill potholes, and replace damaged traffic signs;

maintains and installs area trash cans, street furniture, landscaping, etc. (est. 1998).

- Midtown Transportation Solutions – promotes a balanced transportation system with improved mobility; leverages federal transportation dollars to provide discounted commuter checks to employers, vanpools, carpools, chartered commuter buses and use of alternative transportation modes (bikes, pedestrian walkways); promotes alternative transportation initiatives like the Beltline, Atlanta Tourist Loop, etc.; offers maps and information on traffic patterns, traffic control, parking lots, etc. (est. 2001).
- Midtown Cityscapes – focuses on improved sidewalk conditions and traffic flow; the addition of lights and trees to create urban parks and green space; the promotion of pedestrian usage and wayfinding; and the creation of a visually stimulating sense of place along ten major corridors within Midtown Atlanta.

Initiatives:

- Midtown Mile: Ignited by the Blueprint Midtown Master Plan, a forward initiative for the creation of one million square feet of retail by 2012 along a 14-block strip of Peachtree Street, known as the Midtown Mile, is underway. Several current projects infuse office, retail and/or residential uses along the strip to provide a walkable, vibrant, active live-work-play environment. Midtown Atlanta's property owners spearhead much of this development activity. The provision of affordable housing is also a goal of this initiative.

Achievements to date:

- Crime reduced by 31 percent since 2004 due to increased arrests, service calls, and camera surveillance
- \$26.7 million committed by Midtown Improvement District for major programs and initiatives
- \$31 million leveraged from federal, state and private funding for capital improvements
- 37,000 employees in 100 companies take part in transportation management programs
- New street furniture (trash cans, wayfinding signs) installed and maintenance of Midtown grounds increased
- Funding allotted for the enhancement of six major intersections
- Shared marketing and branding efforts by members of the Alliance
- Design guidelines, special zoning, streamlined review and permitting ease development initiatives and endorse a relationship between city and private sector

Useful Sources:

- <http://www.midtownalliance.org/Index.html>
- <http://www.midtownmile.com>

CASE STUDY #2

<i>Organization:</i>	Perimeter Community Improvement District (PCID)
<i>Location:</i>	Fulton and DeKalb Counties, GA
<i>Date of Initiation:</i>	1999 (DeKalb); 2001 (Fulton)
<i>Geographic area:</i>	<p><u>DeKalb PCID</u> – commercial property located in the area between Ashford Center/North Parkway to the north, Perimeter Summit Parkway/Lake Hearn Drive to the South, the eastern boundary of Perimeter Center to the East, and the Fulton County line to the west</p> <p><u>Fulton PCID</u> – commercial property located east of Barfield Road, north of the Glenridge Connector, west of the DeKalb/Fulton County line and south of the North Springs MARTA station</p>

Purpose:

- To help accelerate transportation and infrastructure improvement projects that will enhance mobility and improve access to the Perimeter activity center.

Organizational Structure:

- Quasi-governmental agency
- Self-taxing improvement district
- Controlled by private property owners and led by elected Board of Directors who decide which projects are funded

Revenue Structure:

- Funded by a self-imposed and self-regulated ad valorem real estate tax on commercial properties within the district
- Additional mill (equal to one-tenth of 1% of assessed property value) is imposed

Vital Signs:

- Atlanta region's largest employer district (primarily Class A office users)
- Large concentration of Fortune 500 companies, medical facilities, and companies with 100 or more employees
- Currently 115,000 jobs with projected growth of 213,000 jobs between 2008 and 2013
- Represents \$3 billion investment in metro Atlanta real estate

Suborganizations:

- Perimeter Transportation Coalition (PTC): a business-sponsored nonprofit dedicated to helping local businesses work together to improve mobility and access in the district. Offers strategic commuting alternatives to employers, shoppers and visitors to the area. Implements the necessary programs to qualify and maintain the Best Workplace for Commuter District trademark designation.

Initiatives:

- Several infrastructure initiatives involved streetscape improvements, street furniture enhancements, and a new bridge. Signal and interchange reconfiguration are currently underway in both PCIDs.

Achievements to date:

- Awarded Best Workplace for Commuter designation by EPA
- Redesigned three intersections in DeKalb County to improve traffic flow and pedestrian safety
- Installed pedestrian lighting and new sidewalks within DeKalb PCID
- Instituted traffic control program
- Upgraded signals, installed pedestrian lighting, reconstructed sidewalks, medians and interchanges in Fulton PCID

Useful Sources:

- <http://www.perimetercid.org>

CASE STUDY #3

Organization: Hawaii Community Development Authority (HCDA)

Location: Honolulu and Oahu, HI

Date of Initiation: 1976

Purpose:

- To supplement traditional community renewal methods by promoting and coordinating public and private sector community development
- To ensure the transformation of designated Community Development Districts (CDD) into a vibrant and diverse urban neighborhood
- Focus includes provision of affordable and senior housing, infrastructure improvements, public safety, open space creation, and economic development

Designated Redevelopment Area:

- 600-acre Kaka'ako CDD in Honolulu
- 3,700-acre Kalaeloa CDD in Oahu

Organizational Structure:

- State-chartered public corporate entity (within Department of Business, Economic Development & Tourism)
- 18 voting members from private and public sectors who oversee HCDA operations and establish policies to implement its legislative objectives
- Three Governor-appointed members/Four at-large members
- HCDA performs regulatory land use and regulatory zoning functions to ensure consistency with an approved master plan

History:

- 1976 State Legislature created the HCDA to plan for and to revitalize underutilized but promising urban areas that could provide economic opportunities to the State
- Legislature also designated the Kaka'ako area of Honolulu as the first CCD, given its central city location
- Redevelopment responsibility for the Kalaeloa CDD granted in 2002

Important Feature: Infrastructure Districts (ID)

- Total costs of infrastructure improvements shared by State government, Kaka'ako property owners, and public utility companies
- State pays the greatest share due to the public benefit of infrastructure improvements
- Kaka'ako landowners only assessed for improvements that specifically benefit them
- Landowners have the option of paying their assessments in installments (with interest) of up to 20 years

Achievements to date:

- Creation of 1,388 affordable housing units
- 47 acres of parklands (only 1.7 acres existed in 1976)
- Over \$2 billion in private sector investment due to \$203 million in public infrastructure improvements
- More housing, parks, public facilities and investments in pipeline

Useful Sources:

- <http://hcdaweb.org/>

CASE STUDY #4

Organization: Baltimore Development Corporation

Location: Baltimore, MD

Date of Initiation: 1991

Purpose:

- To create a sustainable economy for Baltimore City by:
 - retaining and expanding existing businesses
 - expanding the tax base by facilitating new real estate development opportunities
 - promoting thriving business districts
 - attracting new businesses
 - supporting cultural resources

Organizational Structure:

- 501(c)(3) organization (under contract with City of Baltimore)
- Board of Directors
- Broken into several teams:
 - East-West Geographic Team: concentrates on business retention and recruitment and infrastructure management
 - Business Development Team: focuses on city-wide efforts to retain businesses and attract a variety of industry sectors; administers business technical assistance programs, commercial property improvement programs, and business incubator services
 - Resource Team: provides financial analysis, planning and design services; implements special initiatives

Recent Initiatives or Achievements:

- Construction of 757-room Hilton Baltimore Convention Center Hotel
- Completion of West Shore Park – located near the Inner Harbor
- Distribution of several RFPs for development of publicly-owned scattered sites in Baltimore's Westside
- Selection of a development team for Gateway South – a new mixed-use, multipurpose project on Middle Branch of Patapsco River (a gateway into Baltimore City)
- Designation of four new urban renewal planning areas within Baltimore City
- Baltimore City Real Estate Tour – a daylong bus tour attended by 225 commercial investors and featuring over 50 citywide development opportunities

Useful Sources:

- <http://www.baltimoredevelopment.com>