

1 AN ORDINANCE ADOPTING
2 **ARTICLE 29 OF CHAPTER 4 OF THE FAIRFAX COUNTY CODE, RELATING TO**
3 **INCENTIVES to ENCOURAGE ECONOMIC GROWTH**

4
5 AN ORDINANCE to amend the Fairfax County Code by adopting Article 29
6 to Chapter 4 relating to incentives to private entities to encourage economic
7 growth.

8
9 **Be it ordained by the Board of Supervisors of Fairfax County:**

10
11 **1. That Chapter 4, Article 29 of the Fairfax County Code is adopted, as follows:**

12 **ARTICLE 29. – Incentives to Encourage Economic Growth.**

13 **Section 4-29-1. – Title.**

14 This ordinance shall hereafter be known, cited and referred to as the “Economic
15 Revitalization and Redevelopment Zone Ordinance” of Fairfax County.

16
17 **Section 4-29-2. - Purpose and Intent.**

18 Fairfax County seeks to provide an economic revitalization and redevelopment
19 opportunity, in accordance with §§ 15.2-1232.2 and 58.1-3219.4 of the Code of Virginia, by
20 offering regulatory and financial incentives, including partial real estate tax exemptions as set
21 forth below, to encourage the private sector to assemble, revitalize, and redevelop real property
22 suitable for economic development that is consistent with the vision contained in the
23 Comprehensive Plan adopted by Fairfax County.

24
25 **Section 4-29-3. – Definitions.**

- 26 (a) *Application* means the form provided by the Director to be filed by an applicant seeking
27 approval of the redevelopment of an assemblage of parcels and the granting of economic
28 and regulatory incentives pursuant to the terms of this Article.
29
30 (b) *Assemblage* means the combination of adjoining parcels, with different owners, into a
31 single development in accordance with this Article.
32
33 (c) *Commercial and industrial properties* include all real property used for or zoned to
34 permit commercial or industrial uses that are approved and designed for retail or
35 wholesale trade, hotel, restaurant, offices, clinics, warehouses, light manufacturing, and
36 other such uses. Such classification of real property excludes all residential uses.

- 37
- 38 (d) Director means the Director of the Office of Community Revitalization, or successor
- 39 agency, or the designated agent of that Director.
- 40
- 41 (e) Economic Revitalization and Redevelopment Zone means a zone that operates as both an
- 42 economic revitalization zone as provided for in Va. Code § 15.2-1232.2 and a
- 43 redevelopment district pursuant to Va. Code § 58.1-3219.4.
- 44
- 45 (f) Multifamily residential development includes apartments or any building containing more
- 46 than four residential units. Such classification of real property excludes single-family
- 47 detached and attached residential units, cooperatives, and condominiums.
- 48
- 49 (g) Proposed development means the proposed site design and uses submitted by the
- 50 applicant(s) for approval under this Article.
- 51
- 52 (h) Qualifying property means any assemblage approved by the Board of Supervisors under
- 53 the criteria of this Article.
- 54

55 **Section 4-29-4. – Economic Revitalization and Redevelopment Zones.**

56 The following Economic Revitalization and Redevelopment Zones are hereby

57 established:

- 58 (a) The following Commercial Revitalization Districts as established in Appendix 7 of the
- 59 Fairfax County Zoning Ordinance:
- 60 (1) Annandale.
- 61 (2) Bailey's Crossroads/Seven Corners.
- 62 (3) McLean.
- 63 (4) Springfield.
- 64
- 65 (b) The following areas within the Richmond Highway Corridor Community Business
- 66 Center (CBC) per the Comprehensive Plan, 2017 Edition, amended May 1, 2018:
- 67 (1) North Gateway Community Business Center (CBC) CBC (Pg. 74, Figure 21).
- 68 (2) Suburban Neighborhood Area (SNA) between North Gateway and Penn Daw
- 69 CBCs (Pg. 165, Figure 67).
- 70 (3) Penn Daw CBC (Pg. 81, Figure 23).
- 71 (4) SNA between Penn Daw and Beacon/Groveton CBCs (Pg. 167, Figure 68).
- 72 (5) Beacon/Groveton CBC (Pg. 101, Figure 32).
- 73 (6) SNA between Beacon/Groveton and Hybla Valley/Gum Springs CBCs (Pg. 168,
- 74 Figure 69).
- 75 (7) Hybla Valley/Gum Springs CBC (Pg. 118, Figure 41).
- 76 (8) SNA between Hybla Valley/Gum Springs and South County CBCs (Pg. 171,
- 77 Figure 70).
- 78 (9) South County CBC (Pg. 141, Figure 53).

(10) SNA between South County and Woodlawn CBCs (Pg. 177, Figure 71).

(11) Woodlawn CBC (Pg. 146, Figure 56).

(12) SNA adjacent to Woodlawn CBC (Pg. 180, Figure 72).

(c) Land Units R and Q of the Huntington Transit Station Area (per the Comprehensive Plan, 2017 Edition, amended through October 16, 2018; Pg. 25, Figure 9).

(d) Franconia-Springfield Transit Station Area (per the Comprehensive Plan, 2017 Edition, amended through July 31, 2018; Overview Pg. 2, Figure 1; Land Unit Map Pg. 37, Figure 7).

(e) Lake Anne Village Center (per the Comprehensive Plan, 2017 Edition, amended through July 31, 2018; Pg. 74, Figure 28).

(f) Lincolnia Community Business Center (per the Comprehensive Plan, 2017 Edition, amended through July 31, 2018; Pg. 18, Figure 9).

Section 4-29-5. – Application and Review of Eligibility.

(a) The Director will determine and publish the procedure for submitting an application. Owners of property located within an Economic Revitalization and Redevelopment Zone established in Section 4-29-4, may submit an application to the Director.

(b) Such application must be submitted on forms provided by the Director and must include a plan for development as well as any additional schedules, plans, specifications, and an estimated fair market value of the proposed development that the Director requires.

(c) Every owner of any parcel included in the application must be a party to the application. However, an individual who is the owner of an undivided interest in a parcel may apply on behalf of himself and the other owners of the parcel upon submitting an affidavit that the other owners either: (1) affirm the application, (2) are minors, or (3) after a diligent search, cannot be located.

(d) Upon receipt of an application, the Director will determine whether the application meets the eligibility criteria under this Article. If the application is found eligible, the Director will forward it to the Department of Tax Administration for calculation of an estimated base fair market value based upon the initial proposed development. Any application failing to meet the eligibility criteria will be denied and will be reconsidered only after all missing criteria are met.

(e) The Director will submit an eligible application to the Board of Supervisors for approval either in conjunction with a concurrent rezoning application or separately for a by-right development proposal.

- 121
- 122 (f) The Application must meet both general and specific eligibility requirements as set forth
123 in Section 4-29-6, as well as Virginia and local law, before being considered for
124 approval by the Board of Supervisors.

125

126 **Section 4-29-6. – Eligibility.**

- 127 (a) The proposed development must be a commercial, industrial, and/or multifamily
128 residential development within the territorial limits of one of the Economic
129 Revitalization and Redevelopment Zones described in Section 4-29-4.
- 130
- 131 (b) An application must contain a newly proposed assemblage, not previously submitted to
132 the County for rezoning or site plan approval, of at least two contiguous parcels that
133 collectively total a minimum of two acres. The application must conform to the use and
134 consolidation recommendations in the Comprehensive Plan. Smaller acreages may be
135 considered by the Board for good cause shown, such as to facilitate redevelopment of
136 parcels. A single parcel may contain multiple structures, but all structures must be fully
137 contained within its parcel lot lines before approval of the application.
- 138
- 139 (c) Applicants are responsible for obtaining any necessary zoning and site plan approvals in
140 accordance with the Zoning Ordinance and state and local law before receiving
141 incentives in Section 4-29-8(c)(2).
- 142
- 143 (d) A maximum of 20% of the existing development may be retained and/or repurposed,
144 although greater amounts may be approved by the Board upon demonstration by the
145 applicant that such retention is necessary and furthers the vision in the Comprehensive
146 Plan.
- 147
- 148 (e) No improvements made to real property are eligible for real estate tax incentives
149 pursuant to the Article unless approved by the Board of Supervisors.

150

151 **Section 4-29-7. – Calculation of Partial Real Estate Tax Exemption.**

152 A qualifying property shall receive a partial tax exemption to the general real property tax
153 in an amount that is equal to the difference between (i) the Base Value and (ii) the fair market
154 value of the parcel including all new structures or other improvements at the time of the final
155 inspection and valuation.

- 156
- 157 (a) Following Board approval of the application and upon written request from the applicant,
158 the Department of Tax Administration will determine a final base fair market value (“Base
159 Value”) for the qualifying property.

- 160
- 161 (b) Applicant shall submit a written request for final inspection and valuation by the
162 Department of Tax Administration at any time after construction of any structure is
163 substantially complete (“substantially complete” meaning the point where the physical
164 shell is completed and basic components of the building are installed and improved
165 including complete installation of elevators, electrical, HVAC, and fire prevention
166 sprinkler systems). If the proposed development contains multiple buildings to be
167 constructed in multiple stages, the tax exemption shall be recalculated for each lot upon
168 substantial completion and a final inspection and written valuation request from the
169 applicant.
- 170
- 171 (c) The Department of Tax Administration shall provide written notification to the property
172 owner of the amount of the assessment of the property that will be exempt from real
173 property taxation and the period of such exemption.
- 174
- 175 (d) At no time may the partial real estate exemption exceed the current year assessment minus
176 the Base Value.
- 177
- 178 (e) The partial tax exemption shall run with the land, and, except as otherwise provided in this
179 Article, the owner of such property during each year of the partial exemption shall be
180 entitled to receive a partial tax exemption in the amount specified by the Department of
181 Tax Administration.

182 **Section 4-29-8. – Economic Incentives.**

- 183 (a) Incentives shall be administered by the Director and the Department of Tax
184 Administration in accordance with to the general provisions of this Article.
- 185
- 186 (b) Regulatory incentives become effective upon a determination of eligibility by the Director
187 and include:
- 188
- 189 (1) Expedited processing of zoning applications and any associated Comprehensive
190 Plan amendments.
- 191 (2) Inclusion in the Land Development Services Project Management Program.
- 192 (3) If Engineers and Surveyors Institute program eligible, expedited site review
193 processing within 45 days from the application filing date for the first review and
194 within 28 days from the application filing date for the second review.
- 195 (4) Priority processing through building plan review.
- 196
- 197 (c) Financial incentives include:
- 198

- (1) A five percent reduction in the site plan fee submitted at the time of application.
(Advertised to up to 10% in reduction in the site plan fee.)
- (2) Partial real estate tax incentives.

Section 4-29-9. - Timing or Effective Rate of Incentives.

This Article shall take effect on January 1, 2020, and expire on December 31, 2029
(incentive period). Real estate tax incentives as set forth in Section 4-29-8(c)(2) shall be
effective between January 1 of the tax year next succeeding the year following substantial
completion and the end of the incentive period, at which time, the real estate assessment on the
subject parcels will revert to full market value. All incentives shall terminate no later than
December 31, 2029.

Section 4-29-10.- Failure to pay real estate taxes in a timely manner.

The incentives provided for in Section 4-29-8 shall be suspended if the real estate tax on
the qualifying property has not been paid on or before July 28 and December 5 of any year, as
required by Sections 4-10-1 and 4-10-2. Failure to pay the real estate tax on or before the day on
which the real estate tax is due shall result in the forfeiture of any incentives in that year, and in
such cases, the taxpayer shall be liable for the annual real estate tax that otherwise would have
been assessed on the full fair market value of the improved real property. Late payment of the
real estate tax on the qualifying property shall be subject to late payment penalties and interest in
accordance with Sections 4-10-1 and 4-10-2. However, the Director of the Department of Tax
Administration may waive any penalty and interest and reinstate the real estate tax exemption if
the failure to pay the real estate tax was not in any way the fault of the taxpayer.

2. That the provisions of this ordinance shall take effect on January 1, 2020.

GIVEN under my hand this ____ day of _____, 2019.

Catherine A. Chianese
Clerk for the Board of Supervisor