

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 DRAFT 6/4/20  
10

11 Be it ordained by the Board of Supervisors of Fairfax County:  
12

13 1. That Chapter 4, Article 29 of the Fairfax County Code is adopted, as follows:  
14

15 ARTICLE 29. – Incentives to Encourage Economic Growth.

16 Section 4-29-1. – Title.

17 This ordinance shall hereafter be known, cited and referred to as the “Economic Incentive  
18 Program Ordinance” of Fairfax County.  
19

20 Section 4-29-2. - Purpose and Intent.

21 Fairfax County seeks to provide an economic revitalization and redevelopment  
22 opportunity, in accordance with §§ 15.2-1232.2 and 58.1-3219.4 of the Code of Virginia, by  
23 offering regulatory and financial incentives, including partial real estate tax exemptions as set  
24 forth below, to encourage the private sector to assemble, revitalize, and redevelop real property  
25 suitable for economic development that is consistent with the vision contained in the  
26 Comprehensive Plan adopted by Fairfax County.  
27

28 Section 4-29-3. – Definitions.

- 29 (a) *Application* means the form provided by the Director to be filed by an applicant seeking  
30 approval of the redevelopment of an assemblage of parcels and the granting of economic  
31 and regulatory incentives pursuant to the terms of this Article.  
32 (b) *Assemblage* means the combination of adjoining parcels, with different owners, into a  
33 single development in accordance with this Article.  
34 (c) *Commercial and industrial properties* include all real property, excluding commercial  
35 condominiums, used for or zoned to permit commercial or industrial uses that are  
36

37 approved and designed for retail or wholesale trade, hotel, restaurant, offices, clinics,  
 38 warehouses, light manufacturing, and other such uses. Such classification of real property  
 39 excludes all residential uses.

40

41 (d) *Director* means the Director of the Department of Planning and Development, or the  
 42 designated agent of that Director.

43

44 (e) *An Economic Incentive Program* is an area designation that operates for the purposes of  
 45 economic revitalization as provided for in Va. Code § 15.2-1232.2 and for redevelopment  
 46 pursuant to Va. Code § 58.1-3219.4.

47

48 (f) *Multifamily residential development* includes apartments or any building containing more  
 49 than four residential units. Such classification of real property excludes single-family  
 50 detached and attached residential units, cooperatives, and residential condominiums.

51

52 (g) *Proposed development* means the proposed site design and uses submitted by the  
 53 applicant(s) for approval under this Article.

54

55 (h) *Qualifying property* means any assemblage approved by the Board of Supervisors under  
 56 the criteria of this Article.

57

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

59 The following areas are included in the Economic Incentive Program:

60 (a) The Commercial Revitalization Districts as established in Appendix 7 of the Fairfax  
 61 County Zoning Ordinance:

- 62 (1) Annandale.
- 63 (2) Bailey's Crossroads/Seven Corners.
- 64 (3) McLean.
- 65 (4) Richmond Highway.
- 66 (5) Springfield.

67

68 (b) The following within the Richmond Highway Corridor per the Comprehensive Plan,  
 69 2017 Edition, amended May 1, 2018:

70

71 (1) Suburban Neighborhood Area (SNA) between North Gateway and Penn Daw  
 72 Community Business Centers (CBCs) (Pg. 167, Figure 67).

73

74 (2) SNA between Penn Daw and Beacon/Groveton CBCs (Pg. 169, Figure 68).

75

76 (3) SNA between Beacon/Groveton and Hybla Valley/Gum Springs CBCs (Pg. 170,  
 77 Figure 69).

78

- 79 (4) SNA between Hybla Valley/Gum Springs and South County Center CBCs (Pg.  
80 173, Figure 70).  
81
- 82 (5) SNA between South County Center and Woodlawn CBCs (Pg. 179, Figure 71).  
83
- 84 (6) SNA adjacent to Woodlawn CBC (Pg. 182, Figure 72).  
85
- 86 (7) Land Units R and Q of the Huntington Transit Station Area (per the  
87 Comprehensive Plan, 2017 Edition, amended through October 16, 2018; Pg. 25,  
88 Figure 9).  
89
- 90 (c) The areas located between a Richmond Highway CRD and a Richmond Highway SNA  
91 that abut Richmond Highway, as depicted on the attached maps 1-4.  
92
- 93 (d) Franconia-Springfield Transit Station Area, except for those areas planned for single-  
94 family residential development, i.e. sub-units Q and R and the portion of sub-unit N north  
95 of the Springfield-Franconia Parkway) (per the Comprehensive Plan, 2017 Edition,  
96 amended through March 19, 2019; Franconia-Springfield Area Land Unit Map Pg. 37,  
97 Figure 7).  
98
- 99 (e) Lake Anne Village Center Commercial Revitalization Area (per the Comprehensive Plan,  
100 2017 Edition, amended through July 31, 2018; Lake Anne Village Center Land Units, Pg.  
101 74, Figure 28).  
102
- 103 (f) Lincolnia Commercial Revitalization Area (per the Comprehensive Plan, 2017 Edition,  
104 amended through July 16, 2019; Lincolnia Community Business Center, Pg. 19, Figure  
105 10).  
106

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

- 108 (a) The Director will determine and publish the procedure for submitting an application.  
109 Owners of property located within an area designated for the Economic Incentive  
110 Program as established in Section 4-29-4, may submit an application to the Director.  
111
- 112 (b) Such application must be submitted on forms provided by the Director and must include  
113 a plan for development as well as any additional schedules, plans, specifications, and an  
114 estimated fair market value of the proposed development that the Director requires.  
115
- 116 (c) Every owner of any parcel included in the application must be a party to the application.  
117 However, an individual who is the owner of an undivided interest in a parcel may apply  
118 on behalf of himself and the other owners of the parcel upon submitting an affidavit that  
119 the other owners either: (1) affirm the application, (2) are minors, or (3) after a diligent  
120 search, cannot be located.  
121

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

128  
129 (e) The Director will submit an eligible application to the Board of Supervisors for approval  
130 either in conjunction with a concurrent rezoning application or separately for a by-right  
131 development proposal.

132  
133 (f) The Application must meet both general and specific eligibility requirements as set forth  
134 in Section 4-29-6, as well as Virginia and local law, before being considered for  
135 approval by the Board of Supervisors.

136

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

138 (a) The proposed development must be a commercial, industrial, and/or multifamily  
139 residential development within the territorial limits of one of the areas designated for the  
140 Economic Incentive Program as described in Section 4-29-4.

141  
142 (b) An application must contain a newly proposed assemblage, not previously submitted to  
143 the County for rezoning or site plan approval, of at least two contiguous parcels that  
144 collectively total a minimum of two acres. The application must conform to the use and  
145 consolidation recommendations in the Comprehensive Plan. Smaller acreages may be  
146 considered by the Board for good cause shown, such as to facilitate redevelopment of  
147 parcels. A single parcel may contain multiple structures, but all structures must be fully  
148 contained within its parcel lot lines before approval of the application.

149  
150 (c) A minimum of two acres of the assemblage must be located within an area designated  
151 for the Economic Incentive Program for the entire assemblage to qualify. Some small  
152 acreage of the assemblage may lie outside of the delineated boundary but the area  
153 outside of the boundary cannot be counted toward the 2-acre minimum requirement.

154  
155 (d) Applicants are responsible for obtaining any necessary zoning and site plan approvals in  
156 accordance with the Zoning Ordinance and state and local law before receiving  
157 incentives in Section 4-29-8(c)(2).

158  
159 (e) A maximum of 20% of the existing development may be retained and/or repurposed,  
160 although greater amounts may be approved by the Board upon demonstration by the

161 applicant that such retention is necessary and furthers the vision in the Comprehensive  
162 Plan.

163

164 (f) No improvements made to real property are eligible for real estate tax incentives  
165 pursuant to the Article unless approved by the Board of Supervisors.

166

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

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

172

173 (a) Following Board approval of the application and upon written request from the applicant,  
174 the Department of Tax Administration will determine a final base fair market value (“Base  
175 Value”) for the qualifying property. The Base Value shall be the fair market value of the  
176 qualifying property at the time of determination plus the first \$1,000 in assessed value on  
177 the structure planned to be built on the assemblage.

178

179 (b) Applicant shall submit a written request for final inspection and valuation by the  
180 Department of Tax Administration at any time after construction of any structure is  
181 substantially complete (“substantially complete” meaning the point where the physical  
182 shell is completed and basic components of the building are installed and improved  
183 including complete installation of elevators, electrical, HVAC, and fire prevention  
184 sprinkler systems). If the proposed development contains multiple buildings to be  
185 constructed in multiple stages, the tax exemption shall be recalculated for each lot upon  
186 substantial completion and a final inspection and written valuation request from the  
187 applicant.

188

189 (c) The Department of Tax Administration shall provide written notification to the property  
190 owner of the amount of the assessment of the property that will be exempt from real  
191 property taxation and the period of such exemption.

192

193 (d) At no time may the partial real estate exemption exceed the current year assessment minus  
194 the Base Value.

195

196 (e) The partial tax exemption shall run with the land, and, except as otherwise provided in this  
197 Article, the owner of such property during each year of the partial exemption shall be  
198 entitled to receive a partial tax exemption in the amount specified by the Department of  
199 Tax Administration.

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

- 201 (a) Incentives shall be administered by the Director and the Department of Tax  
 202 Administration in accordance with to the general provisions of this Article.  
 203
- 204 (b) Regulatory incentives become effective upon a determination of eligibility by the Director  
 205 and include:  
 206
- 207 (1) Expedited scheduling of zoning applications.
  - 208 (2) Concurrent processing of a Comprehensive Plan amendment with an associated  
 209 zoning application.
  - 210 (3) Concurrent processing of a site plan and a zoning application.
  - 211 (4) Inclusion in the Land Development Services Project Management Program.
  - 212 (5) A lower project value to qualify for Fairfax County Land Development Services’  
 213 Modified Processing Program.
- 214
- 215 (c) Financial incentives include:  
 216
- 217 (1) A ten percent reduction in the site plan fee submitted at the time of application.
  - 218 (2) Partial real estate tax incentives.
- 219  
 220

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

222 This Article shall take effect on January 1, 2021 and expire on December 31, 2030  
 223 (incentive period). Real estate tax incentives as set forth in Section 4-29-8(c)(2) shall be  
 224 effective between January 1 of the tax year next succeeding the year following substantial  
 225 completion and the end of the incentive period, at which time, the real estate assessment on the  
 226 subject parcels will revert to full market value. All incentives shall terminate no later than  
 227 December 31, 2030.  
 228

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

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

238 Administration may waive any penalty and interest and reinstate the real estate tax exemption if  
239 the failure to pay the real estate tax was not in any way the fault of the taxpayer.

240

241 **2. That the provisions of this ordinance shall take effect on \_\_\_\_\_, 2021.**

242

GIVEN under my hand this \_\_\_\_ day of \_\_\_\_\_, 2020.

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247

\_\_\_\_\_  
Jill G. Cooper  
Clerk for the Board of Supervisors  
Department of Clerk Services

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