

Lines of Business

LOB #307:

MOSAIC DISTRICT COMMUNITY DEVELOPMENT AUTHORITY

Purpose

The purpose of Fund 70040, Mosaic District Community Development Authority (CDA), is to provide the necessary accounting structure for revenue collections and bond proceeds from the Mosaic District CDA bonds.

Description

The District was created in order to provide a vehicle for financing certain public improvements that were needed to develop the District in accordance with existing zoning. The County agreed to create the District to promote economic development and development of an especially desirable nature (i.e., mixed-use urban). The public improvements financed through the District included the following infrastructure, facilities, and services: sanitary sewer mains and lines; water mains and lines, pump stations, and water storage facilities; storm sewer mains and lines; landscaping and related site improvements; parking facilities; sidewalks and walkway paths; stormwater management and retention systems; lighting; street and directional signage; wetlands mitigation; roads, curbs, and gutters; public park and plaza facilities; open space areas; public school improvements; and any and all facilities and services related to the above, including the acquisition of land.

On October 15, 2007, the Board of Supervisors approved a rezoning of properties subsequently included in the District in RZ 2005-PR-041, a request by the private developer to rezone 31.31 acres of land to the Planned Development Commercial (PDC) and Planned Residential Mix (PRM) Districts in order to develop the portion of Merrifield designated as the town center in the Comprehensive Plan. The site is located south of Lee Highway/Rt. 29, west of Yates Way, east of Eskridge Road and north of the Luther Jackson Middle School. When fully built out, the project is expected to include 504,100 square feet of retail space anchored by an approximately 168,900 square foot Target store, 853 Class-A multifamily rental units, 114 Class-A townhomes, two hotels (300 total rooms) and 65,000 square feet of Class-A office space.

The County has various funding methods available that can be used to assist commercial investment. One mechanism by which public investment may be requested is through the establishment of a CDA, which can be established to provide a broad range of public infrastructure and services. A CDA is established by petition to the Board from a majority (51 percent) of land owners within a proposed area, and is governed by appointees of the Board of Supervisors. The 51 percent can be based on either land area or assessed value. A CDA is a flexible tool that can be funded by ad valorem special taxes or special assessments, as negotiated with petitioners. It typically covers a relatively small area, such as a single shopping mall, a downtown redevelopment area, a mixed use development, and usually involves a single or small group of owners. No General Fund or debt impact is intended, unless the CDA is coupled with tax increment financing. Pursuant to Article 6 of Title 15.2 of the Code of Virginia, prior to accepting any petitions for the creation of a CDA, the Board must act to assume the power to consider such request. The Board held a public hearing on September 8, 2008, after which the Board adopted an ordinance by which the County assumed the power to consider petitions for the establishment of CDAs.

The Board of Supervisors adopted an Ordinance that established the Mosaic District CDA on April 27, 2009, on the land that is encompassed by RZ 2005-PR-041. The Ordinance establishing the Mosaic District CDA was amended on April 27, 2010, and again on April 26, 2011. The last amendment included the imposition of a special assessment to be levied on the properties within the District. On April 26, 2011, the Board also approved the bond resolution and amendments to the Board's by-laws, and endorsed the special assessment report that provided the basis for the allocation of the special assessment among the various parcels within the District.

Mosaic District Community Development Authority

In June, 2011, the CDA issued \$46,980,000 of revenue bonds, Series 2011A, and an additional \$18,670,000, Taxable Series 2011A-T, in July 2011. Proceeds from the CDA Bonds were used to finance certain public infrastructure improvements within the Mosaic District to support mixed-use development within the District. The CDA bonds are payable primarily from certain incremental real estate tax revenues collected by the County in the District and certain special assessments imposed and collected by the County within the District. The payment of incremental real estate tax revenues and special assessments, as applicable, by the County to the CDA through a trustee for debt service payments on the CDA Bonds is subject to annual appropriation by the County. Debt service on the series 2011A and Series 2011A-T is payable through FY 2036.

Resources

As this line of business encompasses all activities of the fund, please refer to the table in the Fund Resources section.