AGENDA

Introduction

Key Findings

Recommendations
INTRODUCTION
The County identified four goals to guide development of the Silver Line Station Areas.

- Prompt realization of tax revenues to support future Metrorail operations
- Maximizing future employment generation
- Achieving the desired land use pattern
- Minimizing demands on the county’s transportation infrastructure
The HR&A Team’s analysis addressed three questions.

What is the market for commercial development that would leverage proximity to Dulles Airport and the Silver Line stations?

What are best practices from other regions regarding airport-adjacent land uses?

What policy changes should Loudoun County consider to achieve desired land uses and what are the fiscal impacts of these policies?
KEY FINDINGS:
MARKET & AIRPORT LAND-USE ANALYSIS
An assessment of TOD patterns at other regional Metrorail stations identified key factors that will hold true for development around the Silver Line stations.

- Large scale development takes time
- Anchors help brand stations
- Parking needs vs. TOD development
- Local government leadership required
The Team assessed land use trends at 15 airports around the world, and selected 6 for in-depth study.
Airport land use development patterns are extremely varied and driven by the unique characteristics of the regional economy of each airport.
Residential development is the most frequent incompatible land use around airports.

### Incidence of Incompatible Land Uses

<table>
<thead>
<tr>
<th>Land Use</th>
<th>Incidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Development</td>
<td>68%</td>
</tr>
<tr>
<td>High Concentration of People</td>
<td>58%</td>
</tr>
<tr>
<td>Attractive to Wildlife</td>
<td>40%</td>
</tr>
<tr>
<td>Noise-Sensitive, Non-Residential</td>
<td>29%</td>
</tr>
<tr>
<td>Tall Structures</td>
<td>23%</td>
</tr>
<tr>
<td>Visual Obstructions</td>
<td>11%</td>
</tr>
</tbody>
</table>

*Source: ACRP Report 27, “Enhancing Airport Land Use Compatibility”*

Airports have nearly uniformly prevented or restricted residential development under the flight path.
Airport-adjacent land development is most successful when it is directed by a partnership between airport operators and local governments.

- Most of the airport regions studied are engaged in the early stages of adopting an “Airport City” approach to development.

- An “Airport City” is an urban plan in which a city’s layout, infrastructure, and economy are centered on an airport.

- Stakeholders are still working to understand what this approach means in practice and what tools (zoning, etc.) are required for successful implementation.

- Airport owners, local land use authorities, and major stakeholders must come together to identify and align common interests to maximize the opportunities with airport-adjacent development – and mitigate conflicts.
The longer-term outlook for non-residential development in Loudoun County is positive.

**VERY STRONG FUNDAMENTALS**
- Highly educated workforce
- Strong economic base, particularly tech sector
- High quality of life
- Airport & transportation access

**LONG TIME HORIZON**
- Confidence about Metrorail opening required to get commitments
- Station area branding important to attracting users

**PUBLIC SECTOR ROLE CRITICAL**
- Coordinated planning with airport needed to fully leverage assets
- Public sector initiative and investment required for major anchor development
RECOMMENDATIONS
Recommendation #1: Encourage the Transit Related Employment Center (TREC) policies in the Revised General Plan and maintain the Planned Development Transit-Related Employment Center (PD-TREC) zoning district and Airport Impact (AI) Overlay District for potential uses around the Loudoun Gateway Station to promote job-generating, airport-compatible uses.
Supporting Findings: In the Washington Metro Region, Metro-accessible commercial office is out performing non-Metro accessible office.

8.9%  
Average property value premium for office space within a half-mile of Metrorail Stations.

92.3%  
Of all office leasing transactions in the last year were within a half-mile of planned or existing Metrorail Stations.

**Recommendation #1**

**Supporting Findings:** Station area development takes many years and preserving TREC provides an opportunity for the market to respond after the stations open.

**Aggregate Office Development Within a Half-Mile of the Rosslyn and Ballston Metrorail Stations**

![Graph showing aggregate office development](image)

- **Source:** CoStar
Supporting Findings: Preserving PD-TREC zoning helps protect Dulles Airport from incompatible residential uses.

Driven by residential complaints, a ban on nighttime flights at Frankfurt Airport costs Lufthansa, the airport’s largest cargo carrier, €40 million in lost annual revenue.

Source: Financial Times
Recommendation #2: Consider a partnership between a private developer and a public entity (County, State, and/or MWAA) to pursue a catalytic anchor at Loudoun Gateway, if applications for commercial development consistent with TREC Plan Policy do not materialize within two years after Metrorail opens.
**Supporting Findings:** Loudoun Gateway has relatively consolidated land ownership, creating an opportunity for a large anchor development.

![Parcel Ownership Diagram](image)
Supporting Findings: The Team assessed the potential for a catalytic anchor to drive development around the Loudoun Gateway station.
**Supporting Findings:** The Team assessed the potential for a catalytic anchor use to help brand the Station and compatibility with the County’s goals.

<table>
<thead>
<tr>
<th></th>
<th>Job Creation</th>
<th>Tax Revenue Generation</th>
<th>Land Use</th>
<th>Transportation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convention Center &amp; Hotel</td>
<td>![High]</td>
<td>![Medium]</td>
<td>![High]</td>
<td>![High]</td>
</tr>
<tr>
<td>Destination Retail, Entertainment &amp; Hotel</td>
<td>![High]</td>
<td>![High]</td>
<td>![Medium]</td>
<td>![Medium]</td>
</tr>
<tr>
<td>Research Center</td>
<td>![High]</td>
<td>![Low]</td>
<td>![Medium]</td>
<td>![Low]</td>
</tr>
<tr>
<td>Tech Incubator</td>
<td>![High]</td>
<td>![Medium]</td>
<td>![High]</td>
<td>![Medium]</td>
</tr>
<tr>
<td>Sports &amp; Recreation Facility</td>
<td>![Low]</td>
<td>![Low]</td>
<td>![Low]</td>
<td></td>
</tr>
<tr>
<td>Professional Sports Stadium</td>
<td>![Low]</td>
<td>![Low]</td>
<td>![Low]</td>
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</tr>
</tbody>
</table>
Recommendation #3: Work with MWAA to encourage airport-compatible development around the Loudoun Gateway Station, building on national trends favoring “Airport City” models of development near airports.
Supporting Findings: The “Airport City” model of development is gaining prominence as an opportunity to spur the regional economy and stimulate growth.

Recommendation #3

Source: Tocumen International Airport
Recommendation #4: Continue to pursue commercial development at the Ashburn Station Area.
Supporting Findings: Current TOD Policies call for a mix of uses at the Ashburn Station.

- **Residential Use**: 20% - 50% of Land Use
- **Regional Office**: 20% - 50% of Land Use
- **Commercial Retail**: 10% - 30% of Land Use
- **Parks & Open Space**: 15% + of Land Use

Land Use Category Percentages are guidelines from County TOD Policy.

Source: Loudoun County Revised General Plan.
**Supporting Findings:** Commercial development will create additional jobs and tax revenue for Loudoun County.

<table>
<thead>
<tr>
<th>Use Type</th>
<th>Jobs per 1,000/SF</th>
<th>Potential Taxes/SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>4 – 5.5</td>
<td>$3.90 - $4.10</td>
</tr>
<tr>
<td>Retail</td>
<td>1.5 – 3</td>
<td>$6.30 - $6.50*</td>
</tr>
<tr>
<td>Residential</td>
<td>N/A</td>
<td>$2.70 - $2.90</td>
</tr>
<tr>
<td>Hotel</td>
<td>1 – 1.2</td>
<td>$2.20 - $2.40</td>
</tr>
<tr>
<td>Industrial/Flex</td>
<td>1 – 2.2</td>
<td>$2.20 - $2.40</td>
</tr>
</tbody>
</table>

*Retail Taxes/SF are based on property taxes and do not include estimates for potential sales taxes.

Source: CoStar; Zillow; Loudoun County Fiscal Impact Committee Guidelines; CoStar; HR&A Analysis.

HR&A Advisors, Inc.
**Recommendation #5:** Allow interim uses to help activate the two Station Areas studied, provide income for property owners, and generate tax revenues. These interim uses should be positioned to be efficiently and easily redeveloped (or converted to another use) when the market for commercial development improves.
**Supporting Findings:** Interim uses will activate the Station Areas, produce revenue for land owners, and create a neutral to positive impact for the County.

- Garden Center
- Surface Parking Lot
- Farmer’s Market
- Flex Space
Based on the Team’s analysis, we recommend 5 actions for Loudoun County to guide land use and development at the Station Areas.

#1. Maintain current Plan Policy and Zoning at the Loudoun Gateway Station Area to promote job-generating, airport-compatible uses.

#2. Consider a catalytic anchor use at the Loudoun Gateway Station Area, if the office market remains stagnant.

#3. Work with MWAA to encourage airport-compatible development at the Loudoun Gateway Station Area.

#4. Continue to pursue commercial development at the Ashburn Station Area.

#5. Consider interim uses at the Station Areas to activate them, provide income for property owners, and generate tax revenues.