

An aerial map of Loudoun County, Virginia, showing transit routes and stations. A white line with orange dots represents a transit route, with several stations marked by black circles with white centers. Labels for 'ROUTE 772 STATION', 'ROUTE 606 STATION', 'INNOVATION CENTER STATION', and 'DULLES STATION' are visible. A red banner on the right side of the map reads 'LOUDOUN COUNTY'.

LOUDOUN COUNTY STATION AREA MARKET ANALYSIS AND BEST PRACTICES STUDY

Board of Supervisors Presentation

September 16, 2015

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



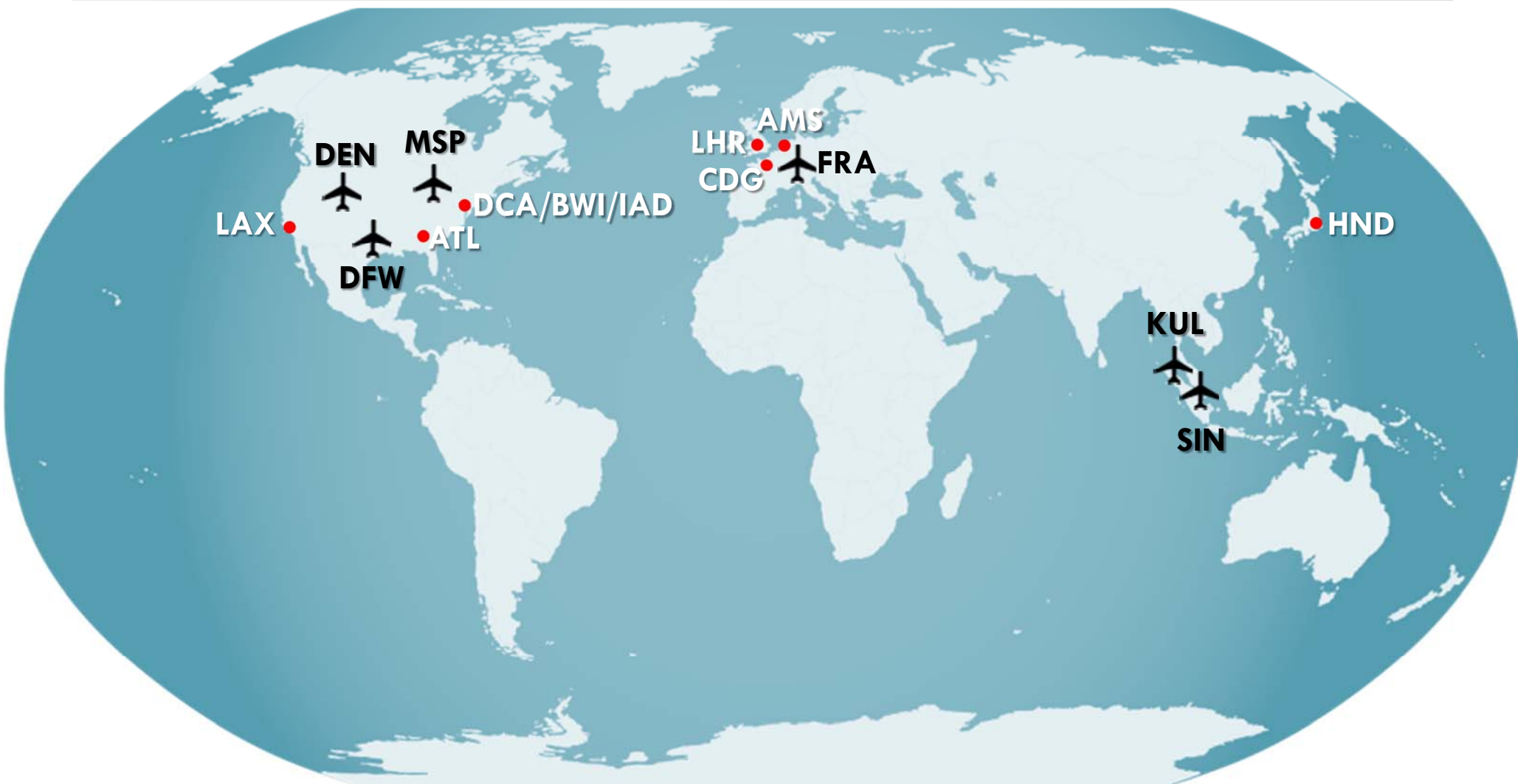
Parking needs vs. TOD development



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.



SHIPPING & LOGISTICS



COMMERCIAL OFFICE



HOTEL



**RETAIL & DESTINATION
RETAIL**



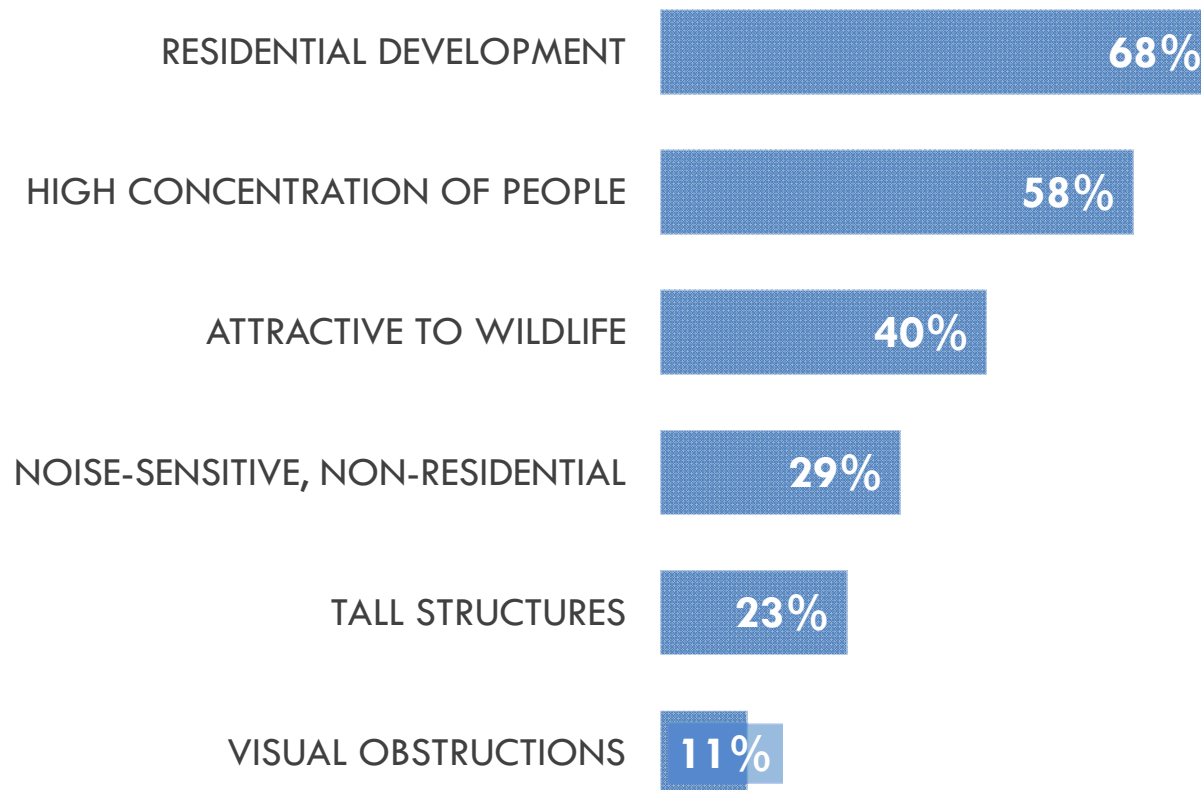
CONVENTION CENTER



“NICHE” USES

Residential development is the most frequent incompatible land use around airports.

Incidence of Incompatible Land Uses



Airports have nearly uniformly prevented or restricted residential development under the flight path.

Source: ACRP Report 27, "Enhancing Airport Land Use Compatibility"

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%

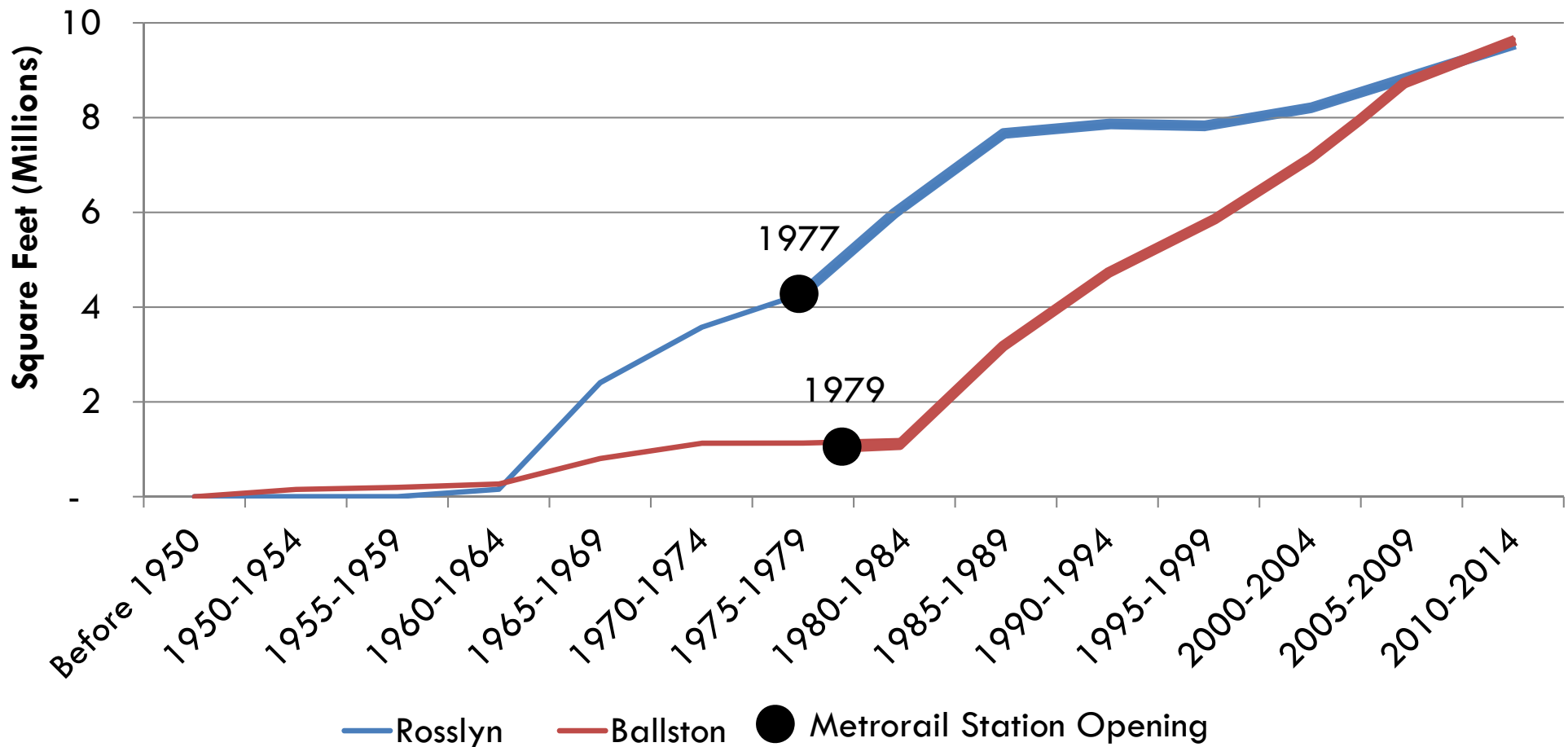
Of all office leasing transactions in the last year were within a half-mile of planned or existing Metrorail Stations.

Source: AECOM, "Making the Case for Transit." 2011. & Jones Lang LaSalle, "Metro DC Quarterly Office Sales Volume Tops \$1.5B" April 2015.

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



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.

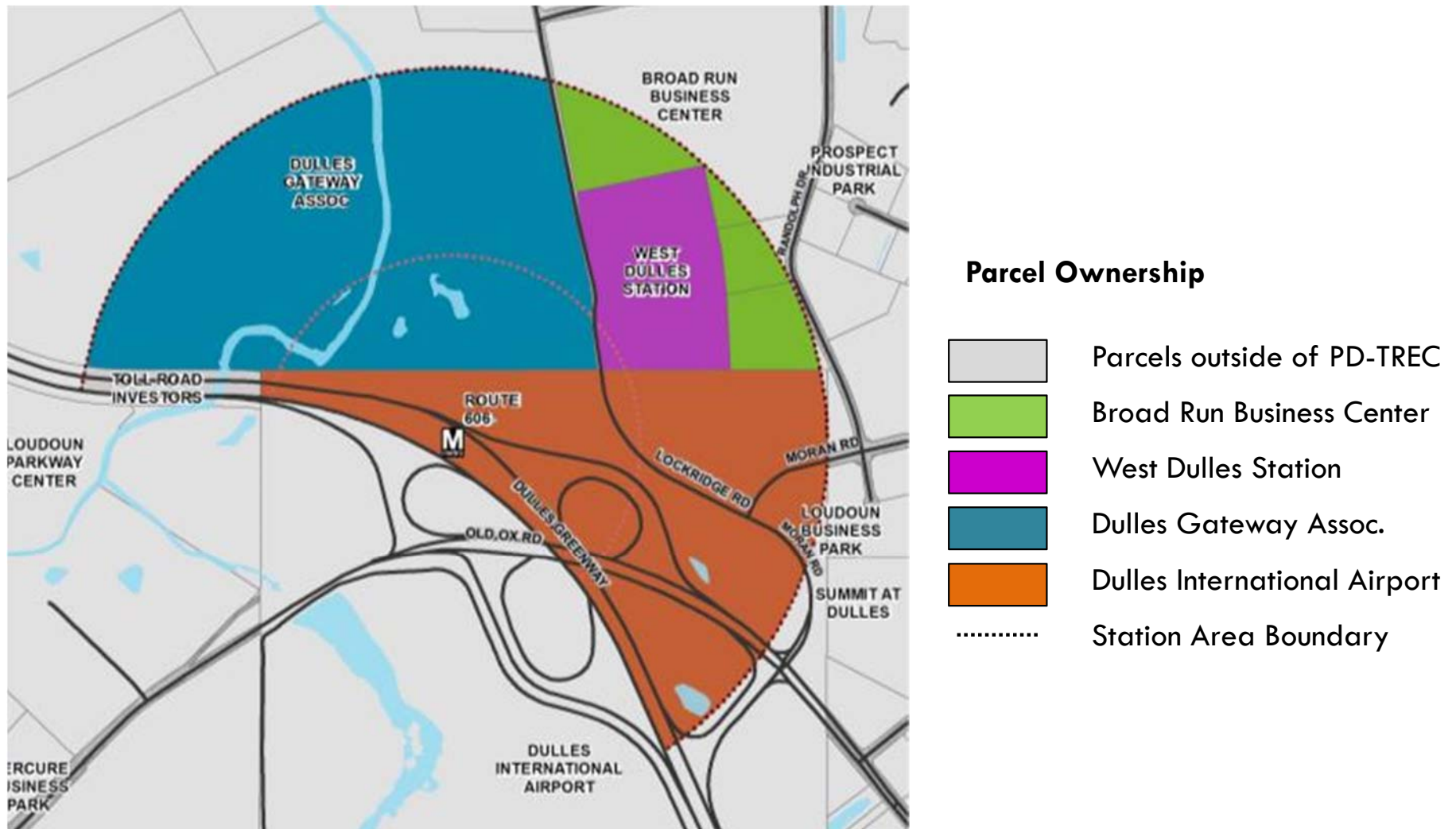


Source: Financial Times

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.

Recommendation #2

Supporting Findings: Loudoun Gateway has relatively consolidated land ownership, creating an opportunity for a large anchor development.



Recommendation #2

Supporting Findings: The Team assessed the potential for a catalytic anchor to drive development around the Loudoun Gateway station.



*Dallas/Fort Worth & Atlanta**

CONVENTION CENTER



*Minneapolis-St. Paul & Singapore**

RETAIL/ENTERTAINMENT



*Singapore**

RESEARCH CENTER



Washington, DC

TECH INCUBATOR



Arlington, VA

INDOOR SPORTS



























Rutherford, NJ

PROFESSIONAL SPORTS STADIUM

**Near an airport*

Recommendation #2

Supporting Findings: The Team assessed the potential for a catalytic anchor use to help brand the Station and compatibility with the County's goals.

	Job Creation	Tax Revenue Generation	Land Use	Transportation
Convention Center & Hotel				
Destination Retail, Entertainment & Hotel				
Research Center				
Tech Incubator				
Sports & Recreation Facility				
Professional Sports Stadium				



Recommendation #3: Work with MWA 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.



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.

Supporting Findings: Commercial development will create additional jobs and tax revenue for Loudoun County.

	Jobs per 1,000/SF	Potential Taxes/SF
Office	4 – 5.5	\$3.90 - \$4.10
Retail	1.5 – 3	\$6.30 - \$6.50*
Residential	N/A	\$2.70 - \$2.90
Hotel	1 – 1.2	\$2.20 - \$2.40
Industrial/Flex	1 – 2.2	\$2.20 - \$2.40

*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.

Recommendation #5

Supporting Findings: Interim uses will activate the Station Areas, produce revenue for land owners, and create a neutral to positive impact for the County.



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.

Q&A