

THE PETERSON COMPANIES DULLES DISCOVERY Fairfax County, Virginia

The Peterson Companies requested RCLCO to conduct a fiscal impact analysis of proposed zoning changes for an active adult community (AAC) at Dulles Discovery in western Fairfax County, Virginia. The proposed active adult development will have 584 age-restricted, active adult units and a 12,500 square foot active adult clubhouse on a parcel currently zoned for industrial uses.

Our analysis took account of all categories of Fairfax County revenues (including Real Property, Personal Property, Sales and Transient Occupancy, Business, Professional and Occupational License (BPOL) and Utility taxes) and operating expenditures (Non-Educational) expected to be received and incurred as a result of the development of the property, and incorporated them into a detailed model.

The assumptions used for the fiscal impact analysis were based on the Fairfax County budget for the fiscal year 2003. The proposed residential developer for the project, provided RCLCO with the home prices and absorption schedule proposed for the development. The Peterson Companies provided RCLCO with assumptions regarding the absorption of office space under by right zoning.

The results from our detailed model show that the proposed AAC would have a greater positive fiscal impact on Fairfax County than the site would under current industrial zoning, which also has a positive impact, albeit subject to a longer absorption period. The proposed active adult development will generate a greater positive net fiscal impact over a 20-year period than the right development of office on the subject property.

The favorable net fiscal impact of this scenario is primarily due to revenues and expenditures generated by the near-term absorption of active adult units; the by right office development, although also fiscally beneficial, will be many years in coming given the state of the office market and the numerous other alternatives to capture office demand within Fairfax County. Absorption of active adult units expands the County's real property tax base without generating additional school children (and, therefore, additional school expenditures). Furthermore, the prices will be high, given the desirability of the Fairfax County location



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