

COVER STORY



'NO, NOT NOW'

Why that's become the official mantra in Loudoun – and when it might change

COURTESY LOUDOUN BOARD OF SUPERVISORS

The nine-member Loudoun Board of Supervisors has been firmly no- or slow-growth for nearly two decades. But the current board is facing increasing calls to revisit the county's comprehensive plan, last revised in 1991, and plan higher-density, walkable communities near future Metro stations.

BY MICHAEL NEIBAUER
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Wawa, the wildly popular Pennsylvania-based convenience store chain, discovered Loudoun County in October 2012, applying to build a store in Sterling at the intersection of Old Ox and Oakgrove roads.

The Loudoun community, for the most part, cheered. The county, for the most part, jeered.

County planners, citing Loudoun's comprehensive plan and their own unwillingness to bend on it, sent the rezoning application on a two-year roller coaster that, by the end, threatened to drive the chain away.

It's a theme that's become all too familiar in Loudoun, starting in the late 1990s when the board settled into no-growth mode as the county's population boomed, development intensified to meet demand, and county leaders struggled to manage the change.

The development community, whose

projects have been derailed time and again, charge that Loudoun is falling behind the times, both in its potential growth and its land use policies. But there's little sign of change, even as those same developers offer to construct long-planned road segments, contribute millions of dollars for capital facilities and donate school and park sites.

"I think a lot of people did the right thing, even though it's contrary to my industry, when they tapped the brakes on growth in the '90s," said Brian Cullen, chairman of Ashburn-based Keane Enterprises Inc. and the developer behind the rejected Greens South at Willowsford rezoning. "But that has long since abated. It's a new era. I think it's time for Loudoun to look at what the next 30 years will look like."

Loudoun is among the wealthiest, fastest-growing counties in the United States. Families want to live there. Developers want to build there. Office tenants may be willing to move there, as Metro arrives and more mixed-use communities are built along major highway and transit corridors. And as it turns out, new homes may burden the county significantly less than

officials have long believed.

So why does Loudoun still make it so hard? Because of fundamental disagreements between the development community and Loudoun leaders on where to focus growth and the effects of growth on the county's residents and bottom line.

"The hesitancy to deviate from the plan has to do, for me, with the amount of infrastructure needed to support it," said Supervisor Matthew Letourneau, R-Dulles.

"I'm not saying, 'No, never,'" he added. "I'm saying, 'No, not now.'"

The problems

Loudoun development is constrained by a land use policy that drastically limits residential development in the busy Route 28 and Route 7 corridors, by a zoning map that maintains a hard line between suburban, rural and transition zones, by a board that views new home construction as too costly and by a county timeline that is seemingly open-ended.

At times, these obstacles lead to the outright rejection of a development bid, as was the case with Lexington Seven, the

Greens South at Willowsford or the McIntosh Assemblage. At others, they may stop a rezoning before it's even submitted, as with Miller & Smith at Braddock and Gum Spring roads. And at still others, they slow the process to an insufferable pace, where a rezoning application may sit in the pipeline for three or more years. See Waterside or Tuscarora Crossing. Even Wawa.

These applications, among others, have one thing in common: All were recommended for denial by a Loudoun planning staff that follows the book – the county's comprehensive plan – to the letter. Perhaps, some say, it is time to rewrite the book, 24 years after it was last overhauled.

"If you look at where Loudoun was relative to the rest of the commonwealth 40 years ago, and where it is today, it is clear that the county's population growth has been beneficial and has had a very positive fiscal impact on the county," said Andrew Painter, a land use attorney with Walsh Colucci Lubeley & Walsh PC, who has handled numerous major Loudoun rezonings. "But the basic premises we have relied on over the last 30 years have to change in

"A monoculture of residential or commercial uses cannot serve the entire community, and will fail to attract the ever-desirable 18-35 'millennial' demographic, which is looking for an urban-feel environment that offers a mix of housing and lifestyle options. Zoning flexibility will be necessary to achieve this desired mixed-use."

URBAN LAND INSTITUTE TECHNICAL ASSISTANCE PANEL, in a report on the future of Loudoun development, May 2014

order to achieve the type of quality economic development growth and vibrant community we want. This starts with an acknowledgement that the Comprehensive Plan needs to be re-examined as a whole."

In May 2014, an Urban Land Institute technical assistance panel urged the county to consider a "paradigm shift" in the way it pursues new development, especially near the incoming Silver Line Metro stations. Adding density and diversity by "creating walkable urban places has been proven to increase the quality of life for surrounding neighbors," the panel found.

That ULI report, Loudoun Planning Commissioner Jack Ryan said during a recent public hearing on the Waterside application from Chantilly Crushed Stone, "embraces the notion of redevelopment of Loudoun County Metro stations for a mixed-use, walkable urban development, which is away from where Loudoun County is today."

"We might be behind the times 10, 15, 20 years," Ryan said, "because the current way the land is to be used is more of a suburban track, rather than urban walkable."

Price vs. payoff

Loudoun's aversion to new single-family homes is partly based on the findings of a 2011 report from the county Economic Development Commission, which pegged the cost of residential development at \$1.62. That is, for every \$1 in tax revenue generated in Loudoun, the county must spend 62 cents more on residential services.

Homes have children who need schooling, the county's single largest expense year to year. Homes require utilities. Their residents must be protected. They must be able to get around on an already taxed road network. Sometimes, those residents require costly social services.

With that number constantly in mind, it's hard to blame Loudoun supervisors for proceeding slowly with, and often rejecting, proposed residential development – especially given the same commission study found that commercial development is revenue positive, 38 cents for every \$1 in tax revenue generated.

But what if those numbers are wrong?

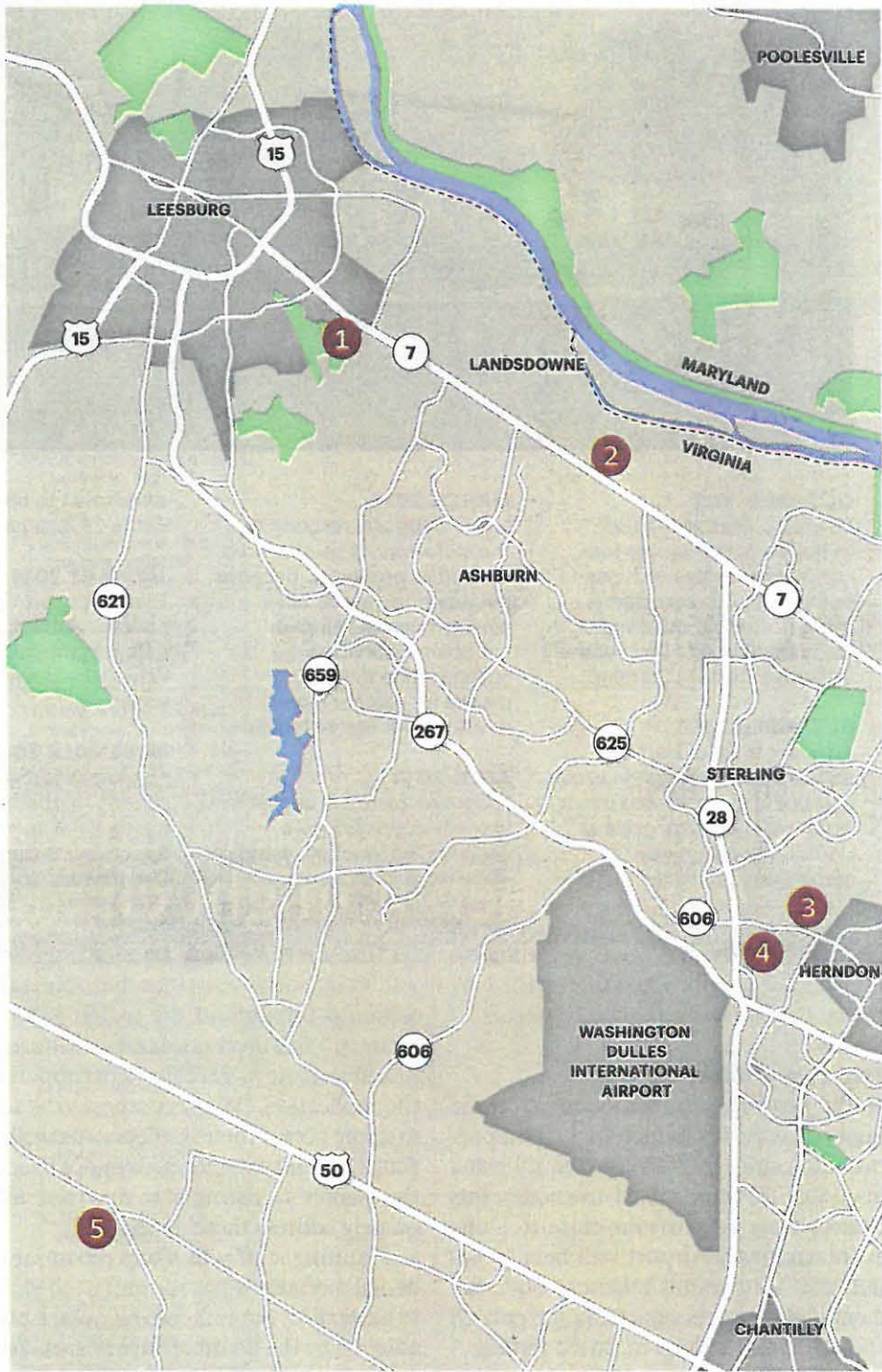
All-In Loudoun, a coalition of developers, builders and land use attorneys, hired Robert Charles Lesser & Co. to analyze the real cost of housing on the county's economy. What it found turns previous thinking on its head. New housing, per RCLCO, is not a burden.

"We're used to thinking that commercial subsidizes residential," said Leonard Bogorad, RCLCO managing director. "What we're finding in Loudoun now, with the prices where they are, is that the new houses are now on the other side of the ledger. They're helping to subsidize the older houses that are not paying their way."

RCLCO released its first batch of research in October 2014. It found that the average service demand for all types of housing in Loudoun is \$1.20 for every \$1 in revenue generated – just 2 cents more than the national average. The county's

BEHIND THE TIMES?

All of the projects listed below were rejected by county planning staff for not being in line with the Loudoun's comprehensive plan. They met various fates: Some were revised, some were rejected outright and some, after many, many months, were approved.



1 TUSCARORA CROSSING

Applicant: EV Hunter Trust
Proposed July 2012: 727 homes on four land bays across 250 acres.
Status: Approved in February 2015 for 492 residential units, up to 85,000 square feet of retail and 1.4 million square feet of flex industrial, in addition to a proffer package worth more than \$40 million. It includes the construction of the four-lane Crosstrail Boulevard through the property and the dedication of a 15-acre school site.

2 GREENS SOUTH AT WILLOWSFORD

Applicant: Corbelis NoVA Development LLC
Proposed April 2013: 802 homes on 737 acres, in addition to Northstar Boulevard construction.
Status: Rejected February 2014

3 WAWA

Applicant: Wawa
Proposed September 2012: Convenience store and gas pumps
Status: Approved in December 2014

4 WATERSIDE

Applicant: Chantilly Crushed Stone
Proposed March 2012: Redevelopment of Loudoun Quarries into a 54-acre lake, roughly 2,500 residential units, two hotels and 2.5 million square feet of office and flex/industrial. The site totals 335 acres north and south of Route 606, roughly 1 mile from the Innovation Center Metro station.
Status: Public hearing scheduled for July 15

5 LEXINGTON SEVEN

Applicant: Capital Associates/Pulte Homes
Proposed December 2012: Rezoning 35 acres of a planned office park for 240 townhouses.
Status: Rejected April 2014
Proposed again in February 2015: Rezone 52 acres for a 125-room continuing care facility, up to 200,000 square feet of retail.

study, RCLCO found, wrongly attributed all sales and use tax revenue to the businesses that remit it, overstated commercial utility tax contributions and ignored state and federal education grants worth more than \$140 million.

Though, \$1.20 still means that residential is revenue negative, a burden on Loudoun and its taxpayers.

"It still does have a burdensome impact," said Supervisor Shawn Williams, R-Broad Run. "Residential, even at \$1.20, doesn't pay for itself."

All-In Loudoun disagrees. The second phase of RCLCO's work on behalf of All-In Loudoun considered

the "breakeven value" of new homes. At breakeven value, a new home costs the county \$1 for every \$1 in tax revenue it generates.

According to that new report, which used the county's most recent economic figures, the breakeven value of a new single-family detached home in Loudoun is \$607,000, while the average value of new single-family homes constructed in 2014 was \$676,000. In other words, new single-family homes, per RCLCO, are revenue positive for the county.

The same goes for new townhomes, multifamily stacked and condos. Their value is higher than their cost to the county

and taxpayers. They are having, Bogorad said, a "distinctly positive impact." Fiscal reasons for rejecting new residential construction are "not really valid anymore."

"I don't think it's intentionally misguided," Bogorad said. "But I do think it is misguided given the new reality."

But, again, it's not that simple. As Letourneau notes, these new homes are filling up with more children than anyone expected. A \$500,000 townhome, he said, "is what passes for affordable housing in Loudoun."

"The projections are wildly off," he said.

Where to draw the line

Of course, it's not all about the money. Loudoun's residential zoning is divvied up by policy area – dense to the east, suburban to the south and center, rural to the west and a middle-ground, transition zone in between, where homes are generally limited to one per one, two or three acres.

"We might be behind the times 10, 15, 20 years, because the current way the land is to be used is more of a suburban track, rather than urban walkable."

JACK RYAN, Loudoun Planning commissioner

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It is the transition area, largely served by Route 50 to the west of South Riding, that has been targeted more than any other for large-scale residential development. And, more often than not, the county says "no."

Letourneau explains why it's difficult to leave that policy behind. The Virginia Department of Transportation, he said, recently completed the \$95 million widening of Route 50 between Route 28 in Fairfax County and Poland Road in Loudoun. And it's no better, he said, than it was before.

"We were anticipating a significant level of service improvement," he said of Route 50. "We're not seeing it. How do we deviate from the plan, which already is calling for thousands of new units when we have no ability to impact the major artery that these people are going to be using?"

Painter, the attorney, has handled more large rezoning cases in the transition zone than perhaps any other lawyer. He's lost two, the Greens South at Willowsford and the McIntosh Assemblage in South Riding. One was withdrawn and others were never filed, in part because Letourneau and other supervisors said not to bother.

"On each of these cases, board members have acknowledged that by-right development strains infrastructure, yet their decisions on some transition applications have signaled a clear preference for maintaining the status quo," Painter said. "Regrettably, these decisions will almost certainly impose greater public costs on taxpayers than would the proffered developments that were proposed."

In the transition area, land is zoned almost exclusively for residential construction. By-right, landowners may build to their current zoning without paying the county a dime, contributing any land for parks or schools, or building new infrastructure, such as much-needed roadway connections.

In the case of the 737-acre Greens South application, Willowsford developer Corbelis Development NoVA LLC had the right to build 245 homes — one per three acres. Instead, it sought permission to construct more than 800, including 350 age-restricted units. In return, Corbelis offered to construct a section of Northstar Boulevard, to donate a 60-acre park site, a 20-acre elementary school site and a high school site, and to pay roughly \$27 million for capital facilities, minus certain credits.

The application was rejected in February 2014 by a 7-2 vote.

"Once we do, where do you redraw the line?" Supervisor Geary Higgins, R-Catoclin, asked at the time of the vote, citing the precedent the rezoning would set. "Where does it stop?"

Following the denial of an application that would have "provided millions of dollars for schools and roads," said Cullen, "we just put our head down and went back to the original plan."

That's 245 homes near the intersection of Braddock and Lightridge Farm roads, with zero benefit to the county.

"I felt, and I still feel, there's going to be a housing shortage at some point in Loudoun County," Cullen said. "And to take

THE WAWA SAGA

Although a relatively small project, the proposal to build a Wawa in Sterling symbolizes some of the issues critics say are hurting business and development in the county. Here's a rundown of that approval process.



The stand-alone Wawa was eventually approved in a 6-3 vote that took two years.

COURTESY WAWA

OCTOBER 2012

Wawa Inc. files application to build a 5,330-square-foot convenience store with gas pumps on a 2.8-acre parcel in the northwest quadrant of the intersection of Old Ox and Oakgrove roads in Sterling.

DECEMBER 2012

Adjacent town of Herndon announces opposition to Wawa, unless it is incorporated into a larger planned development. Herndon does not want a stand-alone building.

MARCH 2013

Wawa attorneys respond that the store cannot be clustered with other properties because neighboring parcels have already been developed. Loudoun supervisors acknowledge there is no market for a larger planned development at that location.

APRIL 2013

Loudoun's planning department formally opposes Wawa, because "single-story, stand-alone retail uses are not

envisioned to be located in the Route 28 Business Area."

JANUARY 2014

The Rappaport Cos., on behalf of Wawa, submits a report detailing the positive impact Wawa would have on Loudoun's economy.

NOVEMBER 2014

Loudoun board holds a public hearing on the application, but declines to vote on it. Supervisor Suzanne Volpe, R-Algonkian, apologizes

to Wawa, saying, "I am disconcerted this is the first impression we're giving these folks."

DECEMBER 3, 2014

The Board of Supervisors approves the Wawa by a 6-3 vote. "This was not a good experience," said Supervisor Shawn Williams, R-Broad Run, broaching the topic of whether Wawa might propose another Loudoun location. "I wouldn't be surprised if they don't."

land with water and sewer on it and to develop it at one home per three acres isn't the best use of those limited resources."

The slow journey ahead

To the east of the transition area, on the Route 28 corridor (which includes a portion of Route 7), Loudoun County has a plan: Save for three mixed-use nodes, this heavily traveled corridor close to Dulles International Airport will be a "positive and welcoming business environment that supports significant job growth and economic activity in varied settings," according to the Route 28 Corridor Plan, adopted by the Loudoun board in 2011.

Note the lack of homes.

"The County's plan for the Route 28 Corridor is intended to stimulate the development of high-quality employment settings and transform the corridor into one of greater density, a synergistic mix of uses, more pedestrian and transit friendliness, and sustainability in design and function," the plan states.

That policy, and others like it that created so-called "keynote employment areas," has not accomplished what it set out to do. It is why The Peterson Cos.' Commonwealth Center will soon be home to TopGolf and iFLY, an indoor skydiving facility. It is why the board, in September 2013, agreed to rezone 13.5 acres of the commercially zoned University Center in Ashburn for 95 townhomes. It is why Lexington Seven, north of Route 7 and east of the Howard Hughes Medical Institute's Janellia Farm Research Campus, still sits largely vacant. It is why Toll Brothers is pitching 376 apartments for 16.24 acres of its mostly empty Belmont Executive Center.

"The need for close by retail, service, and residential uses has become pronounced throughout the region and the country," Toll Brothers' land use attorney recently wrote to the county in support of the application. "Workers expect to be able to easily access their residences as well as shopping and recreation. Belmont Executive Center's existing plan does not adequately address these demands."

Planning staff will likely recommend denial, because it has to. Staff's job is not to be flexible, but rather to follow the plan adopted by the Board of Supervisors. Tuscarora Crossing, Waterside, Wawa, Goose Creek Golf Club, Greens South, Evermont Trace, TopGolf — staff suggested denying all of them.

"Our approach here in Loudoun is really trying to work with an applicant, to get the application to the point where the board will be able to consider saying, 'Yes, that can be built,'" said Kenny Young, Loudoun assistant county administrator, who has oversight of planning and zoning. "Even if we have to recommend denial for a fundamental planning issue."

While the political affiliations have shifted and the pendulum of anti-growth sentiment has swayed somewhat, there has remained a consistent bloc of supervisors who either oppose growth or want to adhere strictly to the comprehensive plan.

The next iteration of the Board of Supervisors, to be seated in 2016, is expected to take up a major review of the county's comprehensive plan, the first since 1991. The multiyear process will likely tackle issues such as the Route 28 corridor, Keynote Employment Areas and the transition zone.

Perhaps, with some tweaks, the development process may proceed with a little less controversy and a little more haste.

Tuscarora Crossing, a bid to rezone 250 acres immediately southeast of the town of Leesburg from heavy industrial to a mix of residential and commercial development, was first proposed in July 2012. It wasn't approved until February 2015.

The application for Waterside, the proposed mixed-use redevelopment of the Loudoun Quarries, roughly a mile from the planned Innovation Center Metro station on the Silver Line, was filed in March 2012. It won't be heard by the Board of Supervisors until this July.

The Wawa convenience store chain filed its application to open its first Loudoun location on Sept. 4, 2012. It wasn't approved until this past December.

"When you come in with a fundamental land use problem, it's going to take a while," Letourneau said.

But it doesn't have to be so difficult, said Cullen, who has played an integral role in Loudoun development for roughly 30 years. County leaders ought to consider development with an open mind and an understanding that the era of unsustainable growth has passed.

"At the end of the day, this board — individual members of the board — have taken the easy approach," Cullen said. "At the end of the day, 'just say no.' I think the politicians are worried that they won't be re-elected if they support residential. I think the voters are over the question of how many units did you approve, but want to know how they fixed roads and schools — which proffers have historically provided." ▀