

Tax Increment Public Infrastructure Fund (TIPIF) Policy

Established by the County Board on December 17, 2002

Introduction: The Tax Increment Public Infrastructure Fund (TIPIF) Policy (the "Policy") establishes a financial framework for evaluating and investing in public infrastructure designed to support and complement particular key private investment projects meeting specified criteria, and further associated public amenities in the Columbia Pike Special Revitalization District. The individual key development projects supported by the Policy are anticipated to be ones that most effectively initiate and anchor the entire Columbia Pike revitalization effort. They are expected to play a major role in creating the climate conducive to attracting the sustained private investment that will form the bulk of the Columbia Pike corridor revitalization effort in future years. Additionally, the Policy could be used to support overall improvements to promote economic activity on Columbia Pike.

This Policy sets forth the source of such public funding and the purposes for which it may be used.

Definitions: For the purpose of this Policy, the following words and phrases have the following meanings:

Base Assessed Value:

This is the January 1st assessed value of all of the parcels (land and improvements) comprising a Designated Project in the calendar year in which the particular Designated Project is issued any of its first Clearing, Grading and Demolition Permit(s).

Columbia Pike Special Revitalization District (the "District"):

The "District" comprises all property within the area designated as the "Columbia Pike Special Revitalization District"; as such District is more specifically defined on the County's General Land Use Plan, and said Plan's Note #8, as such may be amended; and as the sub-components of such District are further more precisely defined in the Regulating Plans of the Form Based Code for Columbia Pike, for each of "Town Center", "Village Center", "Neighborhood Center" and "Western Gateway" areas.

Tax Increment Public Infrastructure Fund ("TIPIF") for Columbia Pike:

This is that separate account, within the General Fund, maintained by the County, into which Tax Increment derived from Designated Projects within the District will be deposited, along with such other funds as may be advanced by the County from time to time for use within the District.

Designated Project:

A Designated Project is a Project that is has been recommended by the Manager as appropriate for contribution to Public Infrastructure Investment Fund pursuant to this Policy, subject to County Board approval and the budget and appropriation of funding thereof.

DMF:

The County Department of Management and Finance

Manager:

The Manager of Arlington County or his designee.

Project:

Discrete private development investments within the District that meet the criteria set forth below as determined by the Manager pursuant to this Policy.

Public Infrastructure Investment:

A "Public Infrastructure Investment" within the meaning of this Policy may include one or more of the following activities directly affecting properties and infrastructure within the District:

- Utility under-grounding in the public right of way or on public property.
- Landscaping, parks, open space, plaza, water features and art improvements within the public right of way, on public property, or on easements given to the public.
- Lighting, signage, benches, trash receptacles, bollards, kiosks, shelters and other street furniture within the public right of way, on public property, or on easements given to the public.
- Paving, pavers, bricks and other stone treatments; and/or reconfiguration of sidewalks and curbs; within the public right of way, on public property, or on easements given to the public.
- Bus shelters and other transit related improvements including bike lanes, striping and other safety and directional features. Traffic signalization, specialized crosswalks and other related features.
- Development of new and/or improvement of existing parking facilities; and development of on-street parking spaces, metering systems and other parking validation and support programs including signage, policing, and management plans.
- Acquisition (by fee simple, lease or otherwise) of real property for open space, street, cyclist or pedestrian right of way, and/or parking uses, but only to the extent that the owners of such real property have not already been compensated by means of density transfer within their own or onto adjacent sites and/or by other concessions as to development rights or other benefits (e.g. free parking).

- Other investments as the Manager shall determine necessary or desirable to the success of the Designated Project and/or immediately surrounding area's revitalization and provided that such investments have an immediately demonstrable public benefit. Other investments may include affordable housing, small business assistance or assistance to non-profit community-based organizations.
- Planning, legal, administrative, architectural, appraisal, financial and economic consulting, and other professional services related to any of the above or to planning and implementation activities for the overall District.

Tax Increment:

The increase in real estate taxes on land and improvements generated by a Designated Project; calculated by applying the current tax rate to the current assessed value of land and improvements comprising the Designated Project and subtracting therefrom the amount generated by applying the same current tax rate to the Base Assessed Value of the Designated Project. Further increases in the assessed value of the land and improvements comprising the Designated Project, above the levels recorded in the County's assessment rolls as and from the second January following the issuance of a Certificate of Occupancy for the main structure in the Designated Project, shall not be considered in calculating any Tax Increment attributable to the Designated Project. (Tax Increment that would be calculated on any Designated Project that takes advantage of the Partial Tax Exemption under Chapter 20 of the County Code shall be reduced by the amount of any such exemptions as are granted to said Designated Project for such time as the exemption remains in effect).

Use of Tax Increment Public Infrastructure Fund (TIPIF) for Columbia Pike:

- (a) The TIPIF may receive up to 85% of the Tax Increment of a Designated Project for no longer than 15 years. It may also receive any of such other funds as may be provided for, and on such terms as the Board may at the time specify.
- (b) Beginning on July 1, 2003, DMF shall annually determine the amount of Tax Increment, if any, attributable to the TIPIF, and recommend the appropriation of such funds to the TIPIF account in the General Fund semi-annually.
- (c) Unexpended or unencumbered balances in the TIPIF shall remain a portion of the General Fund and may be returned to the General Fund and re-appropriated by the County Board at any time. This provision shall not apply to assets in the TIPIF derived from any contributions from private parties or other revenues with specified limitations.

Qualifying Criteria for Uses of TIPIF to Support a Project:

Projects shall be eligible for designation and potential assistance under this Policy, provided they meet the following criteria, and such other terms and conditions as the County Board, on the Manager's recommendation, may require:

- The private project must be consistent with and supportive of the principles, objectives and guidelines set forth in the "Columbia Pike Initiative - A Revitalization Plan" adopted by the Arlington County Board on March 12, 2002 and as updated in 2005.
- The project must generate a clearly visible positive community benefit.
- The feasibility of the project's private investment component must benefit greatly from Public Infrastructure Investments.
- Preference will be given to those private projects specifically concentrated in certain geographical areas (as may be specified by the Manager) within the District and where County's Public Infrastructure Investments are projected to most greatly stimulate private investment in other projects, as measured by the projected ratio between private investment most likely to be induced over the next 10 to 15 years and the amount of Public Infrastructure Investment needed to support it.
- The amount of Public Infrastructure Investment offered in support of a particular Project shall be limited to the amount needed to enable the developer and/or owners of the associated Designated Project to achieve in the first stabilized year of operation a commercially competitive and prevailing return on total Project private development costs (as such costs and return are documented in a manner satisfactory to the County Manager), or such lesser amount as the County Manager may propose.

The TIPIF shall be subject to annual budget considerations and appropriation by the County Board.