

**COMMERCIAL MARKET
RESILIENCY INITIATIVE (CMRI)**



Transforming Arlington's Office Buildings: A New Regulatory Approach

**Presentation to the joint
meeting of the Long Range
Planning Committee and
Zoning Committee of the
Planning Commission
October 15, 2024**



ELEMENTS OF A PROCESS CHANGE

Transforming Arlington's Obsolete Office Building Inventory

County Board Policy

- Justification of Impact
- Adaptive Reuse – First Step
- Other Policy Tools

Zoning Ordinance Amendment (ZOA)

- New Process
- Criteria and Limitations
- Application of County Policies and Goals
- Method for Achieving Discrete Density Increases

Admin Regulations

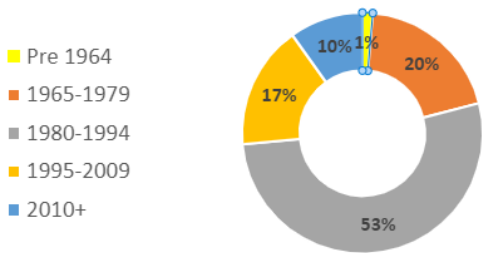
- Submittal Checklist
- Process Elements
- Timing
- Project Review Standards
- Standard Site Plan Conditions

POLICY DISCUSSION

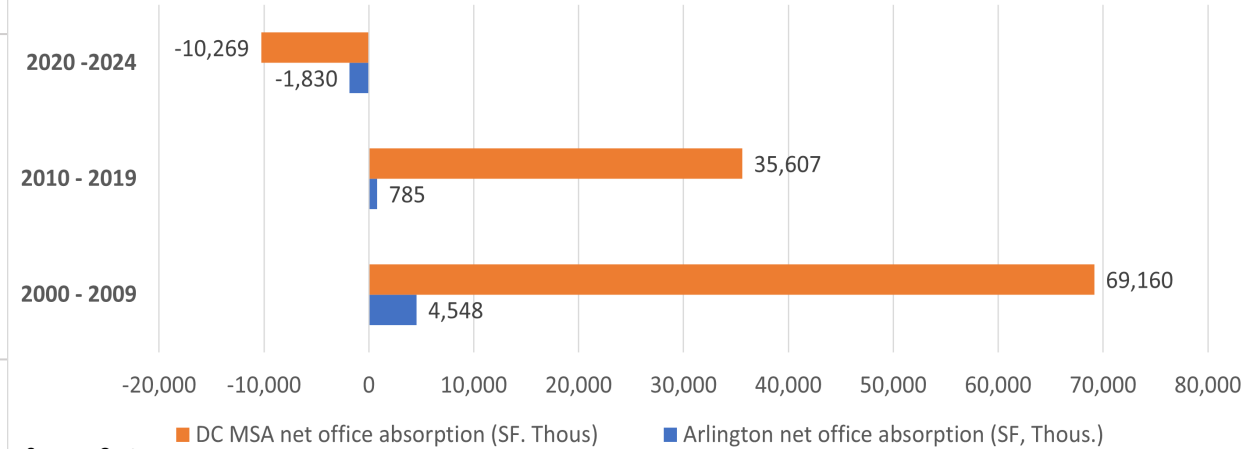
THE WHY

Structural Market Shifts and Impacts on Arlington County

Arlington Vacant SF by Year Built

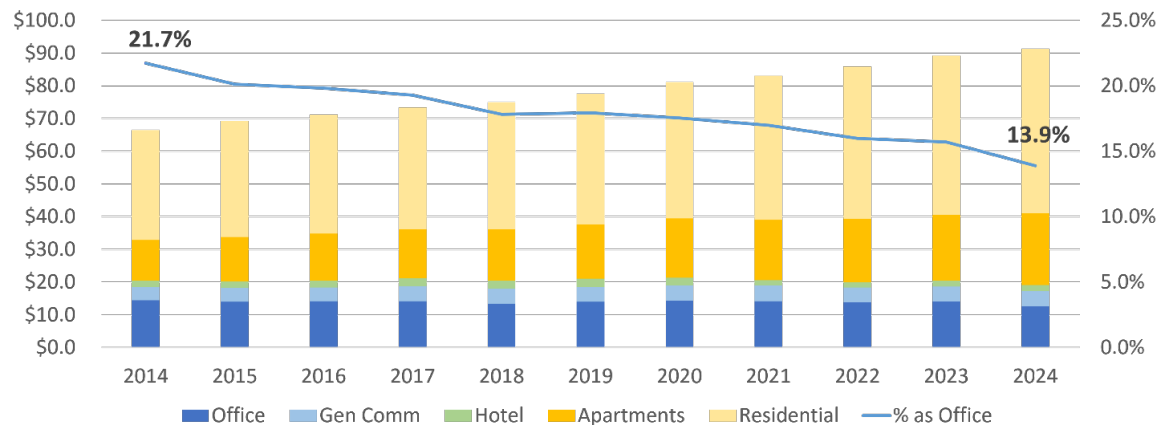


DC MSA and Arlington Net Office Absorption

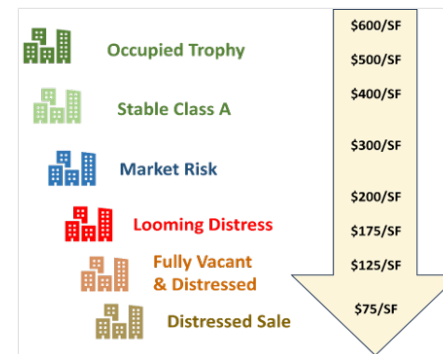


Source: Costar

Assessed Values in Billions by Land Use Type by Year and Percent of Total Assessed Value for Office



Source: Arlington County Department of Real Estate Assessments



- Structural supply and demand challenges
- Obsolete office supply
- Declining office values & assessments
- Impact on tax revenues
- Impact on place
- Worst may be yet to come

POLICY ON TRANSFORMING OFFICE BUILDINGS

A **bold public policy and regulatory intervention** is required to urgently address the adverse economic, fiscal **and placemaking** impacts on Arlington of a declining commercial office sector AND to **establish as a public priority** new or amended policies, programs and regulatory processes that support and incentivize private-market efforts to **transform the supply of existing, obsolete office buildings to more productive uses.**

POLICY ON TRANSFORMING OFFICE BUILDINGS

Bold policy required to repurpose obsolete office buildings

IV.1 Introduces need for “bold, forward-looking and urgent policy response”, specifically focusing on repurposing obsolete office buildings.

IV.2 Establishes repurposing of obsolete office buildings as a PUBLIC PRIORITY

IV.5, IV.6 and IV.8 Establishes and provides guidance on need and framework of a streamlined approach



POLICY FOCUS – ADAPTIVE REUSE

V.1 Focus on Adaptive Reuse

V.2 New Streamlined approach

V.3.a&b Criteria and limitations

V.4 Streamlined engagement process

V.5 Modification of height and density

V.6 Guidance on other policies/goals

- Initial focus on site plan amendments – not by right
- Not affecting previously committed community benefits
- Streamlined engagement process
- Site plan standards
- Areas of density modification
- Interaction with other County policies

Sector plans

Affordable housing

Sustainable design

Transportation

STREAMLINED PROCESS GUIDANCE

Relationship to current process – NEW PROCESS

- Not amending Minor or Major definitions in ACZO
- Coordination with administrative CMRI workstream on Major-Minor-Admin processes for all site plans
- Timing: **Aiming for 120-150 days or less to get to approval from submission**

Method of review and approval – COUNTY BOARD ACTION

- Administrative path considered and studied – but not viable or sufficient
- Will still end with **County Board Consideration**
- Changes to engagement approach

Criteria and limitations – FLEXIBLE BUT FOCUSED

- Approved and constructed site plan projects – no FBC or by right as of yet
- Thresholds – % of office use in a building, % of existing office space adaptively reused
- Vacancy, signs of distress, etc. considered but not initially proposed
- Changes to major community benefits not considered in this new process

DENSITY ALLOWANCES AND SITE PLAN STANDARDS

Existing building and standards as starting point but amended to reflect the unique nature of Adaptive Reuse proposals.

Density calculation changes under zoning

Ground-floor bump outs

Inclusion of previously excluded SF

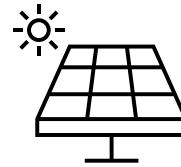
Mezzanines

Balconies & Terraces

Rooftops

Façade replacement

Conversion of unused parking



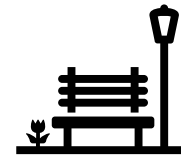
Green Building



Multi-modal
Transportation



Parking & Loading



Streetscape
Standards



Landscaping and
Tree Canopy
Standards



Other Legacy Site
Plan Conditions

Under discussion – tying density earned through converting existing parking to GFA towards on and off-site improvements relative to transportation demand.

Note: Not an exhaustive list

RELATIONSHIP TO SECTOR PLANS

- Sector plans often provide guidance on:
 - Land use, including
 - Preferred land use for a specific site
 - Use mix by block or district within sector plan
 - Use mix by sector plan area
 - New infrastructure or open space in place of existing buildings

2020: Initial effort to understand and consider pathways for site plan applications whose proposed use differs from sector plan guidance

ADMINISTRATIVE GUIDANCE FOR OFFICE CONVERSIONS

Arlington County
December 2020

This document outlines the Administrative Guidance for Office Conversions (Administrative Guidance), the purpose of which is to provide consistently applied administrative guidance on Key Areas of Consideration when reviewing office conversion proposals.

CONTEXT

In August 2014, the Arlington Future Office Market Task Force of the Economic Development Commission (EDC) released a report – *Arlington Future Office Market Study* -- outlining some of their key findings relative to systemic shifts in the regional and local office market. This effort was conducted in response to a variety of land use requests to convert existing or planned office uses to other uses, primarily residential. The report stopped short of providing direct guidance on how specific land use requests should be analyzed, but did conclude that a variety of systemic shifts in the regional and local office market require a more flexible approach to the consideration of land use applications that sought to amend the primary use and character of existing or planned office buildings.

In 2020, Arlington remains a highly competitive office location, but within the context of national and regional trends that have dampened overall demand relative to existing and planned supply as well as localized impacts of market events such as loss of leased space through the Base Realignment and Closure (BRAC) Act and shifts in federal government leasing policies. This data provides a baseline for understanding of the current and future status of the Arlington office market.

The new policy shall consider further guidance on how adaptive reuse proposals shall be reviewed when in direct or indirect conflict with adopted sector plans.

RELATIONSHIP TO COUNTY POLICIES

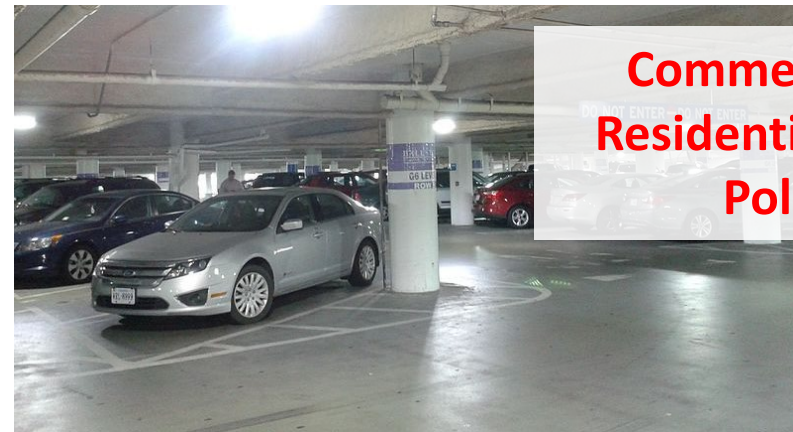
Affordable Housing Master Plan



AN ELEMENT OF ARLINGTON COUNTY'S
COMPREHENSIVE PLAN
ADOPTED – SEPTEMBER 2015

CREATING A CARBON NEUTRAL ARLINGTON

Arlington Initiative to
*Rethink
Energy*



**Commercial and
Residential Parking
Policies**

POLICY – FUTURE REGULATORY APPROCHES

Prioritization and Scope

- Approach to repositioning – relationships to proposal for Adaptive Reuse
- Approach to various types of redevelopment
 - Value of aspects of building retention
 - Conversion of existing density per ACZO
 - Earning additional density
 - Streamlining of review
- Broader study – earning density and community benefits
- Beyond land uses – financial incentives and PPP

VI.1 CMRI 1.0 – Allowable Uses

VI.2 Switches

VI.3. Office building Repositioning

VI.4 Adaptive Reuse +

VI.5 Partial redevelopment

VI.6 Conventional redevelopment

VI.7 Financial incentives

VI. Xx Public-Private Partnerships

ZONING ORDINANCE AMENDMENT DISCUSSION

PROPOSED AMENDMENT TO ACZO

- Purpose of the proposed amendments is to effectuate the proposed Policy.
- Establish a new category of site plan amendments – *adaptive reuse amendment* with criteria, findings & standards.
- Therefore, using this structure, analogous to other amendment categories, a separate definition is not recommended.

PROPOSED AMENDMENT – CRITERIA

(Lines 44-73)

Qualifies for an Adaptive Reuse Amendment if:

- The site plan has not been previously amended utilizing the adaptive reuse amendment process.
- The principal use of the building is at least 50 percent office.
- The building has been occupied for at least five years.
- More than 50 percent of the office use would be converted.
- Increased density must comply with the proposed §15.5.9.D.1.
- All previous conditions of the approved site plan have been met.

Does NOT Qualify for an Adaptive Reuse Amendment if:

- Changes to the existing roofline height except for rooftop amenity space.
- Increased gross floor area with additions greater than two stories above finished grade.
- Vacation of or amendments to existing public easements.
- Change to any affordable housing, community facilities, sustainable design or other public priorities provided for by the approved site plan.
- Reduction of commitments required by previous County Board approvals.

PROPOSED AMENDMENT – CLARIFICATION & APPLICABILITY (Lines 153 – 155)

- Reflects the proposed Policy finding that reduction of obsolete office buildings is a **public priority**.
- Clarifies that *adaptive reuse amendments* are similar to rehabilitation or renovation of development.
- Removes applicability of affordable dwelling unit requirements (§15.5.8).

PROPOSED AMENDMENT – ADDITIONAL HEIGHT AND DENSITY (Lines 319 – 342)

- Findings for approval
 - Consistent with the change of use.
 - Reflects the overall reinvestment in the building.
 - Enhances the public realm.

- Types of additional height and/or density
 - Density above the underlying zoning district.
 - Certain rooftop uses.
 - Previously excluded density in the interior of the building.
 - Building façade changes that affect exterior wall widths.
 - Additions to, or enlargement of the building not to exceed two stories above finished grade.
 - Addition of mezzanine spaces.
 - Addition of covered & **enclosed** balconies or terraces.
 - Conversion of gross parking area to gross square footage.
 - Other increases in density the County Board finds are in a similar purpose and level of impact.

NEXT STEPS

ADMIN REGULATIONS & GUIDELINES

Will implement Policy and ZOAs

- Submittal checklist
- Process
- Timing
- Site and building standards
- Standard site plan conditions

DISCUSSION: STREAMLINED PROJECT REVIEW

ROLE OF PLANNING COMMISSION AND ITS SUBCOMMITTEES

Application Type	Site Plan Review Committee (SPRC) Review	Planning Commission (PC) Hearing	County Board Approval	Typical Timing
Administrative Change	No	No	No	Case-by-case
Minor Site Plan (Typically minor changes to approved building plans and site plan conditions)	No	No	Yes	3 - 5 months
Major Site Plan I (Primarily use change and minimal building changes)	Yes – sometimes just a single meeting	Yes	Yes	6 + months
Major Site Plan II (More significant use and building changes, including types of redevelopment)	Yes – typically 3 SPRC meetings	Yes	Yes	9+ months

PROPOSED SCHEDULE

- *July 31, 2024: Lunch & Learn: Virtual Information Session*
- *September 14, 2024: County Board [Request to Advertise](#) (RTA) (10/1 [amended RTA](#))*
- *September 24, 2024: Planning Commission's Long Range Planning Committee (LRPC)*
- *October 1, 2024: Initial **drafts** of [policy](#) and [ACZO text](#) posted*
- *October 8, 2024: Economic Development Commission*
- *October 10, 2024: Housing Commission*
- **October 15, 2024: Joint Meeting of the Planning Commission's LRPC & Zoning Committee (ZOCO)**
- *October 17, 2024: Lunch & Learn: Virtual Information Session #2 ([Microsoft Virtual Events Powered by Teams](#))*
- *October 28, 2024: Climate Change, Energy and Environment Commission (C2E2) – joint presentation with DES and AED/CPHD on green building policy and relationship to adaptive reuse*
- *November 4/6, 2024: Planning Commission Hearing (anticipated)*
- *November 16/19, 2024: County Board Hearing (anticipated)*



ARLINGTON
VIRGINIA

Thank You!

**LRPC/ZOCO
Questions &
Discussion**

