

BE IT ORDAINED that Chapter 20 of the Arlington County Code is amended, reenacted, and recodified as follows, effective January 1, 2006:

**CHAPTER 20
ARLINGTON COUNTY CODE**

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**ARTICLE II. PARTIAL REAL ESTATE TAX EXEMPTION FOR CERTAIN
SUBSTANTIALLY REHABILITATED, RENOVATED OR REPLACED COMMERCIAL AND MIXED USE STRUCTURES**

§ 20-20. Definitions.

For the purposes of this article, the following words and phrases shall have the meanings respectively ascribed to them by this section:

Base value: The assessed value of the structure as of January 1 of the year in which the rehabilitation, renovation or replacement of the structure begins.

Commercial use: The selling or providing of goods or services to individuals, firms or corporations. When referring to a structure or structures, such use includes mixed use structures (used for both residential and commercial purposes) where the square footage of that portion of the structure used for commercial purposes exceeds fifty percent (50%) of the total square footage of the structure.

Commercial property: Real property located in zoning districts permitting commercial uses, by right or by special exception, according to the Zoning Ordinance of the County of Arlington, Virginia.

Director: Director, Department of Real Estate Assessments for Arlington County.

Exemption: The real estate taxes resulting from the increase, if any, in the assessed value of a commercial use structure, which increase is determined by the director to be directly attributable to the substantial rehabilitation, renovation or replacement of the structure.

Exemption districts:

- a. The Columbia Pike Commercial District, consisting of each parcel of real property located, in whole or in part, in a zoning district permitting commercial uses, by right or by special exception, and which zoning district adjoins the right-of-way of Columbia Pike between South Wayne Street and South Oakland Street and parcels of real estate at the intersection of Columbia Pike and South George Mason Drive presently designated as RPC numbers 23033001, 23033074, 23033075, 23034017, 23034018, 27001002, 27001004 and 27001005.
- b. The Lee Highway Commercial District, consisting of each parcel of real property located, in whole or in part, in a zoning district permitting commercial uses, by right or by special exception, and which zoning district adjoins the right-of-way of Lee Highway between Spout Run Parkway and North McKinley Street.
- c. The Crystal City Rehabilitation District consists of that parcel of real property identified by Arlington County Real Property Code number 34026036 as of January 1, 2005, known as Parcel X-2A-1 on that certain plat entitled "Plat Showing The Resubdivision of Parcel X-2A South Washington Industrial Subdivision recorded in Deed Book 1902, Page 770, Arlington County, Virginia."

Owner: All persons or entities holding title to the real estate, commercial use structure or structures thereon for which an exemption is requested.

Substantially rehabilitated, renovated or replaced commercial structure:

- a. An existing commercial use structure, no less than twenty (20) years of age in the Columbia Pike Commercial District and the Lee Highway Commercial District and no less than thirty (30) years of age in the Crystal City Rehabilitation District, located in an exemption district, which structure has been substantially rehabilitated or renovated so as to increase the assessed value thereof by not less than twenty (20) percent of base value in the Columbia Pike Commercial District and the Lee Highway Commercial District and by not less than ten (10) percent of base value in the Crystal City Rehabilitation District, which increase shall exceed \$100,000, because of the rehabilitation or renovation; or

- b. A replacement commercial use structure located in an exemption district, which replacement structure replaces an existing structure of no less than twenty (20) years of age in the Columbia Pike Commercial District and the Lee Highway Commercial District and no less than thirty (30) years of age in the Crystal City Rehabilitation District, provided that the difference between the assessed value of the replaced commercial use structure and the assessed value of the replacement commercial use structure is an increase in assessed value of not less than twenty (20) percent of base value in the Columbia Pike Commercial District and the Lee Highway Commercial District and not less than ten (10) percent of base value in the Crystal City Rehabilitation District, which increase shall exceed \$100,000, because of the replacement.

§ 20-21. Partial tax exemption for certain substantially rehabilitated, renovated or replaced commercial structures; policy and intent.

It is the purpose of this article to implement the provisions of Article 3, Chapter 32 of Title 58.1 the Code of Virginia to permit the county to allow a partial tax exemption for certain substantially rehabilitated, renovated or replaced commercial use or mixed use structures. The exemption will provide an economic incentive for improvement of such real estate and will prevent the deterioration and vacation thereof which is harmful to the health and welfare of the county and its residents. This article provides a procedure for owners within certain designated areas in Arlington County to obtain partial real estate tax exemptions for certain substantially rehabilitated, renovated or replaced commercial use and mixed use structures.

§ 20-22. Eligibility.

- (a) Any owner of commercial property upon which there exists a commercial use structure of no less than twenty (20) years of age in the Columbia Pike Commercial District and the Lee Highway Commercial District and no less than thirty (30) years of age in the Crystal City Rehabilitation District, proposed to be substantially rehabilitated, renovated or replaced for commercial use and which commercial property is located, in whole or in part, within the boundaries of an exemption district, shall be eligible to apply for an exemption. No commercial use structure upon commercial property, which structure has been substantially rehabilitated, renovated or replaced, may exceed by more than one hundred percent (100%) the total square footage of the commercial use structure prior to such rehabilitation, renovation or replacement.
- (b) A commercial use structure shall be eligible for an exemption only if the increase in the assessed value of the structure from the base value attributable to the rehabilitation, renovation or replacement of the structure is not less than twenty (20) percent of base value increase shall exceed one hundred thousand dollars (\$100,000.00) as determined by the director.
- (c) No commercial use structure shall be eligible for an exemption where prohibited by applicable law.
- (d) To qualify for an exemption, the proposed rehabilitation, renovation or replacement shall be consistent with, and in compliance with, all applicable laws.
- (e) In the Crystal City Rehabilitation District, a substantially rehabilitated, renovated or replaced commercial structure shall be eligible for an exemption only if the exemption is applied for on or before December 31, 2010.

§ 20-23. Application procedure and processing fee.

- (a) The owner shall file applications for exemptions with the director on forms provided for such purpose. A separate application shall be submitted for each commercial use structure for which an exemption is requested.
- (b) All building or demolition permits shall be acquired prior to the filing of the application and the beginning of the rehabilitation, renovation or replacement.
- (c) The director may require the applicant to submit all documentation deemed necessary to establish eligibility for an exemption. All such requested documentation shall be furnished to the director before an application will be considered complete and will be processed.
- (d) A processing fee of two hundred and fifty dollars (\$250) shall be paid by the owner to the county with each application.
- (e) The exemption shall not automatically attach to any commercial use structure. Exemptions shall be granted only after the requirements of this article have been satisfied as determined by the director.

§ 20-24. Inspections; notification to director.

- (a) Upon receipt of a completed application for an exemption and prior to commencement of the proposed rehabilitation, renovation or replacement, the director or his designee shall physically inspect the structure for which an exemption is requested.
- (b) An owner shall notify the director in writing within thirty (30) days after the rehabilitation, renovation or replacement of the structure is complete.
- (c) During the period of time between the receipt of a completed application and completion of the rehabilitation, renovation or replacement, the structure shall be subject to taxation upon the full-assessed value thereof.
- (d) No structure shall be eligible for an exemption if the director or his designee have been denied access to any portion thereof, either before, during or after the rehabilitation, renovation or replacement for which an exemption is requested, provided that the access is for the purposes of assessing the structure and determining whether the requirements of this article have been met.

§ 20-25. Commencement of exemption; land books.

- (a) The exemption shall commence on January 1 of the year following completion of the rehabilitation, renovation or replacement of the structure, inspection thereof by the director or his designee, verification by the director or his designee that the rehabilitation, renovation or replacement described in the application has been fully completed, and a determination by the director that the requirements of this article have been met.
- (b) Nothing in this article shall be construed to permit the director to list upon the land books any reduced assessed value due to the exemption created by this article.

§ 20-26. Amount of exemption; duration.

- (a) In no event shall an exemption be granted for that portion of any increase in assessed value, attributable to the rehabilitation, renovation or replacement, exceeding \$1,000,000 in the Columbia Pike Commercial District and the Lee Highway Commercial District and more than one hundred (100) percent of the base value in the Crystal City Rehabilitation District.
- (b) Unless otherwise provided in this article, the exemption shall run with the real estate, in a fixed amount, for a period of ten (10) years.
- (c) The increase in assessed value of the commercial use structure, which increase is attributable to the rehabilitation, renovation or replacement, shall be applicable only to any subsequent assessment or reassessment of the structure after completion of the rehabilitation, renovation or replacement. An increase in an assessment occurring after the first year of the exemption shall not result in an increase in the exemption.
- (d) In no event shall an exemption be permitted for any given year if the assessed value of the commercial use structure falls below the base value for such year.

§ 20-27. Commercial use of structure required.

The exemption shall be available to an owner and shall continue only so long as the substantially rehabilitated, renovated or replaced structure meets the definition of commercial use.

§ 20-28. Vacant land.

No improvements made upon vacant land shall be eligible for an exemption under this article.

§ 20-29. Rules and regulations.

The director may prescribe rules and regulations, consistent with this article, deemed necessary for the effective administration hereof. A copy of any such rules and regulations shall be available upon request in the office of the director.

§ 20-30. Other laws and ordinances.

Nothing in this article shall be construed to relieve an owner or any other person or entity from complying with all other applicable laws and ordinances related to the development, use, rehabilitation or taxation of real estate.

§ 20-31. Applicability to rehabilitation, renovation or replacement commencing before enactment of article.

An owner may apply for an exemption if a building permit for the proposed rehabilitation, renovation or replacement of the commercial use structure is issued on or after the date of enactment of this article.

