Date of Meeting: June 15, 2010

BOARD OF SUPERVISORS
INFORMATION ITEM

#2

SUBJECT: ZMAP 2008-0021, Kincora Village Center

STAFF CONTACTS: Judi Birkitt, Project Manager
Julie Pastor, AICP, Director
Department of Planning

BACKGROUND:

The Board held a Committee of the Whole meeting on this application on June 2, 2010. Discussion focused on road improvements and capital facilities. The applicant presented a fourth scenario for financing Gloucester Parkway that included a $23,758 cash contribution for 872 of the residential units for a total of $20,716,976. The Board directed staff to address possible financing options for Gloucester Parkway. During the meeting, the applicant agreed to shift 400,000 square feet of office floor area from Land Use Phase 3 to Phase 2. The applicant asked the Board if it would be worthwhile to pursue purchasing the Broad Run Toll House and dedicating it to the County until a 501(c)(3) organization is identified; a generally favorable response was indicated. The Board voted 9-0 to forward the application to the June 15, 2010 Business Meeting as an information item.

ISSUES:

1. Transportation Improvements – A fundamental difference exists between the Countywide Transportation Plan (CTP) and the applicant's proposed transportation phasing. County policy bases an applicant's anticipated road improvements and the timing of those improvements upon the Level of Service (LOS) and the actual capacity of the roads. The premise of the CTP is that development not occur along roads that are functioning below LOS D, and that, as development occurs, the developer will provide the improvements in a timely manner such that LOS does not fall below LOS D (See Attachment 1).

   The applicant's transportation phasing plan is based on the number of trips that Kincora would generate, rather than the capacity or LOS of the larger road network. For that reason, the applicant's traffic study indicates that Kincora would not generate enough traffic to trigger the need for them to construct Gloucester Parkway from Loudoun County Parkway to Pacific Boulevard until proffered in Transportation Phase 3 (development of all 1,400 residential units and beyond 2.4 million square feet of non-residential floor area).

   The adjacent road network that would serve the proposed development is currently functioning at unacceptable levels of service (LOS E or F), in several locations including the Waxpool Road/Loudoun County Parkway and the Waxpool Road/Pacific Boulevard intersections. As currently proffered, the applicant would add 71,500 average daily trips to

the road network, but would not construct Gloucester Parkway for 11 or more years, if at all, without a Community Development Authority. As shown on Table 1, there is no excess value between the anticipated and proffered road improvements. Further, the construction delay would worsen an already failing road network. **Staff continues to recommend that the Gloucester Parkway connection be constructed by the applicant and opened to traffic prior to occupancy of the first residential unit or non-residential building on the property.**

Table 1. Anticipated Versus Proffered Road Improvements

Road Improvement	Timing	Value (of off-site improvement)	
A. Anticipated Road Improvements: (per LOS policies in the CTP)			
1. Pacific Boulevard - Construct a 4-lane section from the Gloucester Pkwy/ Nokes Blvd intersection north to an on-site entrance	Upfront	(on-site)	**$43,000,000**
2. Gloucester Pkwy – Construct a 4-lane section from Loudoun County Pkwy to Pacific Boulevard	Upfront	$31,900,000	
3. Pacific Boulevard - Construct a 4-lane section from the northern property boundary to Russell Branch Pkwy	7+ years	$11,000,000	
B. Proffered Road Improvements: (applicant's non-CDA "Scenario 3")			
1. Pacific Boulevard - Construct a 4-lane section from the Gloucester Pkwy/ Nokes Blvd intersection north to an on-site entrance	Upfront	(on-site)	**$43,000,000**
2. Pacific Boulevard - Construct a 4-lane section from the northern property boundary to Russell Branch Pkwy	7+ years	$11,000,000	
3. Gloucester Pkwy - Construct a 4-lane section from Loudoun County Pkwy to Pacific Boulevard	11+ years	$31,900,000	

Source: Applicant's June 4, 2010 Proffer Statement

2. "Scenario 4" - During the June 2, 2010 Committee of the Whole meeting, the applicant presented a proposal for funding Gloucester Parkway, referred to as "Scenario 4". The difference between Scenarios 3 and 4 is under Scenario 3, the applicant would be responsible for constructing Gloucester Parkway at Transportation Phase 3 (development of all 1,400

residential units and more than 2.4 million square feet of non-residential space). Under Scenario 4, the applicant would still be responsible for constructing Gloucester Parkway at Transportation Phase 3; however the applicant would make an incremental $23,758 cash contribution for 872 of the residential units[1] for a total of $20,716,976. If the County chose to develop Gloucester Parkway prior to the applicant reaching development thresholds established in Transportation Phase 3, the County could construct the roadway applying the $20,716,976 towards the total cost with the remaining amount coming from an unknown revenue source. However, the $20,716,976 contribution is contingent upon the development of the 872 residential units, as defined by the applicant and may not be entirely available when the County chose to construct the roadway. Should the County wish to wait until the applicant meets the development thresholds established in Transportation Phase 3, the applicant would use the $20,716,976 contribution towards the cost of constructing the roadway, together with the applicant's own funding, to construct the Gloucester Parkway connection.

The issue with Scenario 4 is that if development does not go beyond Transportation Phase 2 (development of all 1,400 residential units and no more than 2.4 million square feet non-residential space), the applicant's transportation improvement responsibilities would fall short by $11.9 million, and rather than the applicant constructing the Gloucester Parkway connection, there would be $20 million in a "Gloucester Parkway Fund". Staff maintains that the Gloucester Parkway connection should be constructed by the applicant, up-front. Shifting the burden of constructing Gloucester Parkway to the County, as proposed in "Scenario 4" would not only require the County to make up the difference in funding, but also would place an additional responsibility on the County to manage, monitor and execute the project, a cost that has not been anticipated nor accounted for. In addition, the estimated construction cost for Gloucester Parkway, $31.9 million is in 2010 dollars and does not take into consideration any additional costs that may be associated with a delay in the construction. **However, if the Board pursues a cash contribution for Gloucester Parkway, Staff recommends that the applicant make a per unit contribution equal to the entire cost of the road, $31.9 million. This equates to $36,583 for each of the 872 residential units or $24,538 for each of the 1,300 market rate units (exempting the 88 units that meet the ADU income provisions and the 12 units that will be made available to those earning less than 30% of the AMI).**

3. Capital Facilities – The proposed 1,400 residential units would generate the need for $33,261,200 in County services, such as schools, libraries, and parks. After exempting 100 units that are either consistent with the Affordable Dwelling Unit income ranges or for households whose income does not exceed 30% of the AMI, it would be anticipated that the applicant contribute $30,885,400 to the County, typically in cash or land, to offset those capital facility impacts.

[1] 1400 residential units – 88 ADU-Equivalent Units – 140 Unmet Housing Needs Units – 300 residential units that may be developed if an occupancy permit is issued for the baseball stadium = 872 residential units

Table 2. Staff's Capital Facilities Analysis

A. Capital Facilities Impact: (1,300 residential units x $23,758)		**$30,885,400**
B. Proffered Contribution: 1. 5-acre public use site 2. Grading 5-acre public use site 3. Trails	$2,831,400 $497,720 $935,484	**$4,264,604**
C. Applicant Requested Non-Transportation Related Contributions: 1. *Observation platform 2. *Broad Run Toll House	$25,000 $300,000	**$325,000**
D. Remaining Impact: ($30,885,400 minus $4,589,604)		**$ 26,295,796**

*Does not meet the County's definition of a Capital Facility.

As shown on Table 2, the applicant has proffered to contribute approximately $4.2 million, consisting of a 5-acre public use site and trails and an additional $325,000 for the Broad Run Toll House and an observation platform. The remainder of the anticipated capital facility contribution is $26.3 million. As shown in Table 3, the applicant is requesting that the Board apply $24.8 million in regional road improvements towards the $26.3 million referenced in Table 2 above. Staff does not recommend accepting the applicant's proposed capital facility credit of $24.8 million, unless Gloucester Parkway is proffered to be constructed prior to occupancy of the first residential unit or non-residential building on the property. The current phasing does not provide for the construction of Gloucester Parkway to Loudoun County Parkway until the applicant develops all 1,400 residential units and beyond 2.4 million square feet of non-residential uses. Since Gloucester Parkway comes so late in the development process, if the phasing is not modified, the Board may wish to support a maximum of $2.2 million in capital facility credit for the off-site connection of Pacific Boulevard to Russell Branch Parkway due to the benefit that it would provide to regional traffic (See Table 4 and Attachment 2).

Table 3. Applicant's Proposed Regional Road Capital Facility "Credit"

Road to be Improved	Value of Off-site Improvements	% of Traffic Generated by Kincora (full build-out)	% of Excess (full build-out)	Value of Excess (proposed capital facility credit)
Gloucester Parkway	$31.9 million	37%	63%	$20 million
Pacific Boulevard	$11 million	57%	43%	$4.8 million
TOTAL	**$43 million**			**$24.8 million**

Source: Applicant's June 4, 2010 Proffer Statement and Revised April 27, 2010 Traffic Study.

Table 4. Staff Analysis of Transportation Phasing and Associated Regional Road Impacts

Road to be Improved	Value of Off-site Improvements	% of Traffic Generated by Kincora	% of Excess	Value of Excess (proposed capital facility credit)
Pacific Boulevard	$11 million	80% (Phase 2)	20% (Phase 2)	$2.2 million
Gloucester Parkway	$31.9 million	37% at full build-out; however, construction comes so late in the process no assurance that it will be constructed	Not applicable	No assurance that Gloucester Parkway will be constructed as currently proposed
TOTAL	**$43 million**			**$2.2 million**

Source: Applicant's June 4, 2010 Proffer Statement and Revised April 27, 2010 Traffic Study.

4. Financing Options for Gloucester Parkway – **Staff's recommendation for financing Gloucester Parkway is for the applicant to make a per unit contribution for the entire $31.9 million cost of the 4-lane section.** With that revenue stream, the Board could contract to construct the Gloucester Parkway connection. The Department of Management and Financial Services staff are continuing to advise the Board with respect to further analysis of the applicant's proposed Community Development Authority. That analysis will include additional financing options for Gloucester Parkway, such as the PPEA process or coordinating with the Route 28 Tax District. Additional comments regarding the transportation proffers are included in Attachment 5.

5. Proffer Statement - The applicant has submitted a revised Proffer Statement (June 4, 2010), which staff is currently reviewing. Based on the Board's direction at the June 2, 2010 Committee of the Whole meeting, the following revisions are anticipated:

   a. Shift 400,000 square feet of office from Land Use Phase 3 to 2.

   b. Provide a per unit cash contribution that equates to 40% ($20.7 million) of today's cost to construct the Gloucester Parkway connection to Loudoun County Parkway.

   c. Commit to a Pacific Boulevard alignment that does not bisect the house to the north.

d. Clarify the "reasonable extensions" proffer language related to the timing of road improvements with a Community Development Authority (CDA).

e. Separate the public use site from the pending Public-Private Education and Infrastructure Act (PPEA) for the Route 7/28 Fire and Rescue Station. Extend utilities to the site and construct access to the site concurrent with development of the fire and rescue facility

f. Add language, similar to the One Loudoun project, prohibiting retail areas that would duplicate retailers already in Dulles Town Center.

g. Apply the entire 162-acre floodplain dedication to the Open Space Preservation Program.

h. Preserve the river & stream corridor resource in the event the floodplain is altered.

i. Delete the FSM and LSDO waiver requests.

j. The applicant to pursue purchasing the Broad Run Toll House and dedicating it to the County until a 501(c)(3) organization is identified.

Staff will be prepared to discuss these revisions at the June 15, 2010 Board of Supervisors Business Meeting.

FISCAL IMPACT:

The proposed 1,400 residential units would generate a total capital facility impact of $33,261,200. The commercial and employment uses typically will generate more revenue than they require in public facilities and services.

ATTACHMENTS:

1. Revised Countywide Transportation Plan Level of Service Standards Policies
2. Gorove/Slade Graphic: Applicant's Estimation of Site Traffic Impacts on Regional Roads
3. Applicant's Proffer Statement (June 4, 2010)
4. Transportation Funding Scenarios
5. Initial Financial Analysis of Proffered Transportation Scenarios

Revised Countywide Transportation Plan

Level of Service (LOS) Standards Policies and Staff Analysis

1. Land development will only occur along roads that currently function at Level of Service 'D' or better in the Suburban and Transition Policy Areas where planned road improvements would improve the level of service; or alternatively development may occur where the developer provides the improvements consistent with the phases of the development in a timely manner such that the LOS does not fall below LOS 'D'. Improvements for the first phase of a development will be provided in advance of development.

2. Level of Service 'D' or better must be demonstrated for new development at the time of the construction of the first residential unit or commercial/industrial building in the Suburban and Transition Policy Areas, using peak hour and daily traffic volumes, for existing and future road network.

3. A traffic analysis will be performed as required by the Zoning Ordinance and Land Subdivision and Development Ordinance. Traffic studies are required for land use applications regardless of the number of trips or the size of the development. However, the scope of the traffic study information can vary depending on the specific case and location. Transportation staff will meet with the applicant to discuss and agree on the scope of the study prior to submission.

4. The first and subsequent phases of development of each project permitted by rezoning will be defined by the actual capacity of the existing road network or improvements to be completed by the developer, VDOT or others prior to the completion of any residential or other approved land use by the existing level of service.

ATTACHMENT 1

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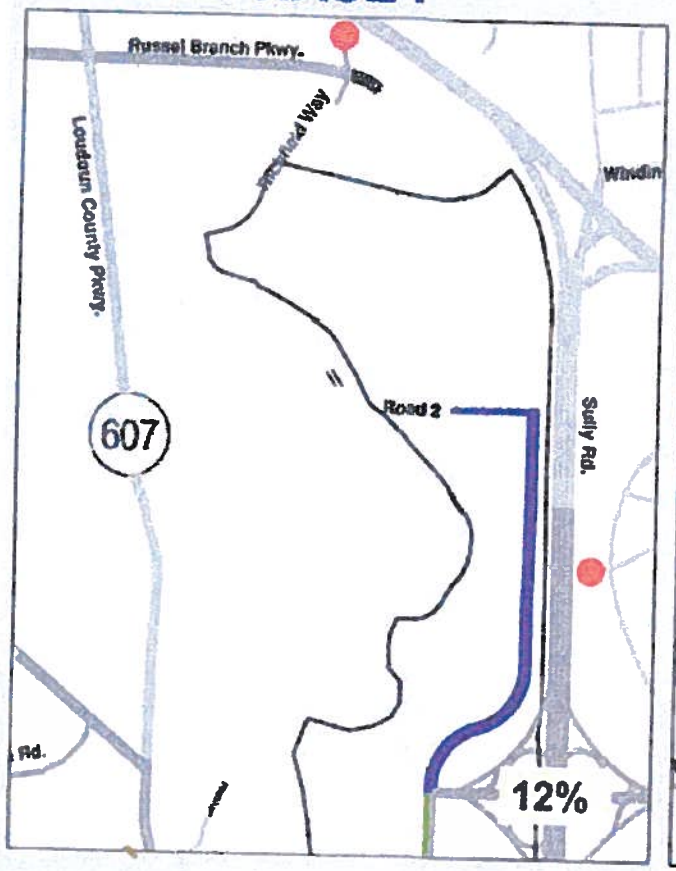
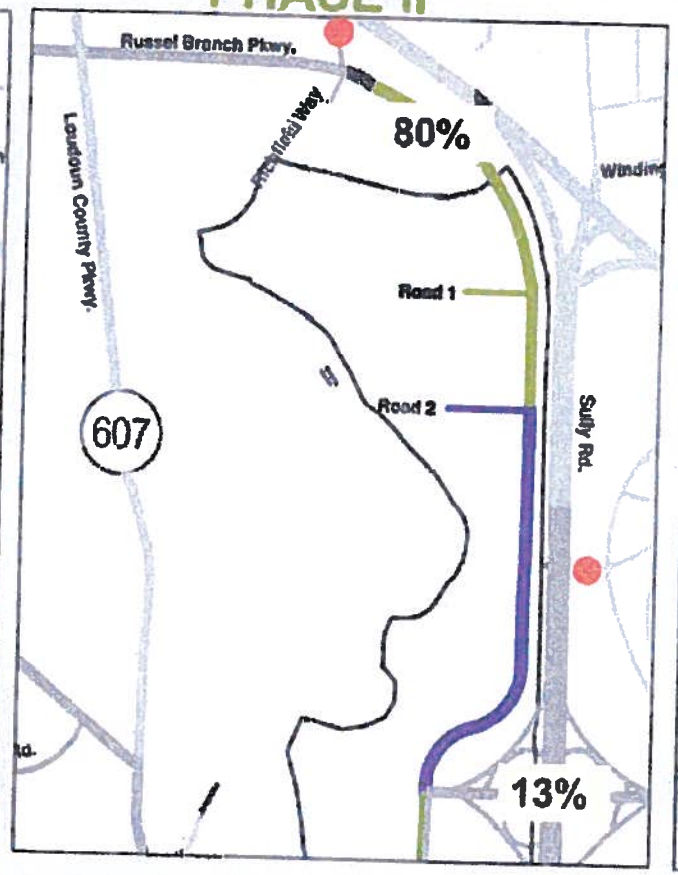
MINIMIZE IMPACTS TO EXISTING REGIONAL ROADS

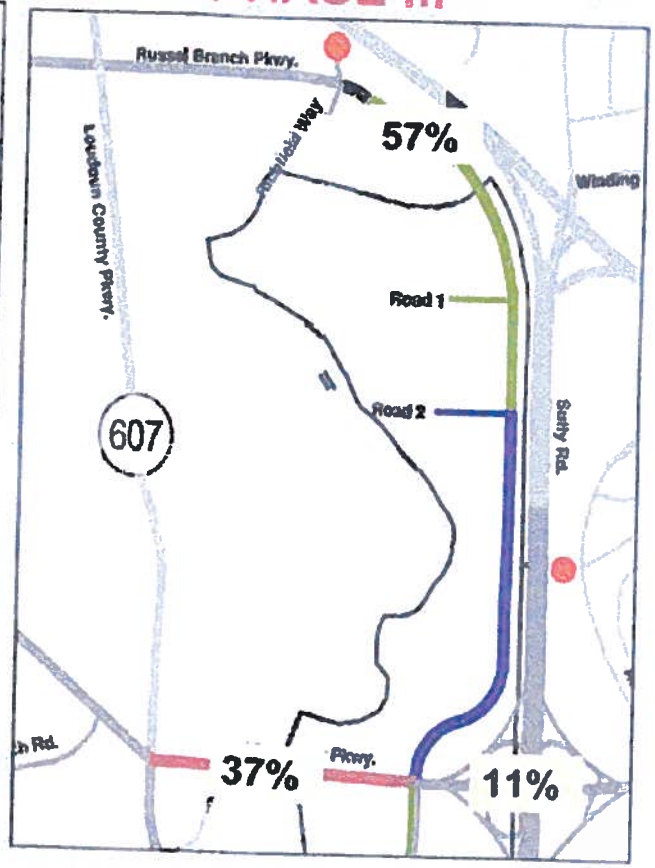
PHASE I



PHASE II



PHASE III



XX % = SITE TRAFFIC/TOTAL TRAFFIC

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KINCORA VILLAGE CENTER

(ZMAP 2008-0021)

PROFFER STATEMENT

February 5, 2009
July 23, 2009
October 5, 2009
January 13, 2010
April 12, 2010
April 26, 2010
May 10, 2010
June 4, 2010

Pursuant to Section 15.2-2303, Code of Virginia, (1950), as amended, and Section 6-1209 of the Revised 1993 Loudoun County Zoning Ordinance (1993), as amended (the "Zoning Ordinance"), NA Dulles Real Estate Investor LLC, a Delaware limited liability company (the "Owner"), who is the owner of Loudoun County Tax Map Parcel PIN #'s 042-29-6582, 042-49-0209 and 041-29-8238, consisting of a total of approximately 396.87 acres of real property, of which a portion consisting of approximately 334.66 acres (the "Property") is the subject of this rezoning application ZMAP 2008-0021, hereby voluntarily proffers that development of the Property shall be in substantial conformity with the proffered conditions as set forth in the following paragraphs (the "Proffers") which are intended to include and are hereby deemed to include the exhibits and Zoning Ordinance modifications attached hereto, all of which are incorporated herein by reference. All Proffers offered herein are contingent upon and shall become effective only upon the final approval by the Board of Supervisors of Loudoun County, Virginia (the "Board") of the change in the zoning districts requested in rezoning application ZMAP 2008-0021 from the PD IP (Planned Development - Industrial Park), and FOD (Floodplain Overlay District) zoning districts under the 1972 Loudoun County Zoning Ordinance to the PD-MUB (Planned Development - Mixed Use Business), FOD and AI (Airport Impact) zoning districts under the Revised 1993 Loudoun County Zoning Ordinance. Upon final approval of the requested change in zoning districts, these Proffers shall supersede all proffers previously in effect with respect to the Property, if any. All Proffers herein shall be binding on the Owner and its successors and assigns.

I. LAND USE

A. Concept Plan.

The Property shall be developed in substantial conformity with Sheets 1, 2 and 8-37 of the plan set entitled "Zoning Map Amendment (Application #ZMAP 2008-0021) Kincora Village Center Broad Run Election District Loudoun County, Virginia," attached hereto as

Exhibit A dated October 2008, as revised through April 26, 2010, and prepared by Urban (all 37 Sheets of such plan are collectively referred to hereafter as the "Concept Plan"). Sheets 3-7 are for information and illustrative purposes only. Sheets 8, 9, 10, 11 and 12 of the Concept Plan illustrate the layout proposed for development of the Property and indicate development limitations on the Property, such as public road rights-of-way, open space, floodplain restoration activities and limits of clearing and grading for uses outside of the floodplain, which shall be observed during development of the Property as more particularly described in the Proffers.

The Owner shall have reasonable flexibility to modify the layout shown on the Concept Plan as necessary to accommodate final engineering and development ordinance requirements, provided such changes: (i) are in substantial conformity with the approved Concept Plan and the Proffers; (ii) do not increase total permitted square footage; and (iii) do not decrease the minimum amount of open space or peripheral setbacks required to be provided on the Property.

Building locations and footprints, and associated parking areas and parking structures, identified on the Concept Plan are for illustrative purposes and are subject to change by the Owner, and the Owner agrees that the Owner's right to place any such feature in any particular location as shown on the Concept Plan shall not be deemed vested by virtue of the approval of this ZMAP 2008-0021 and the Proffers and Concept Plan. Final building locations and footprints and associated parking areas and structures must comply with the specific commitments provided in these Proffers.

B. Uses, Maximum Density/Intensity of Use and PD-MUB Minimum Use Percentages.

The Owner may develop the Property with any of the uses permitted in accordance with the applicable zoning district, including any uses permitted by special exception provided that approval of the requisite special exception is obtained in accordance with the Zoning Ordinance. The Property may be developed up to the following maximum densities and intensities of use:

- Up to 3,696,025 square feet of employment, commercial and public/civic/institutional uses.
- Up to 1,400 multifamily residential units (not to exceed 1,544,000 square feet), inclusive of any required Affordable Dwelling Units ("ADUs") and unmet housing needs (workforce housing) units proffered herein in Proffers I.D. and I.E. and subject to the limitations set forth in Proffer I.B.3. below.

1. Employment Uses. A minimum of forty percent (40%) of the total floor area constructed on the Property shall be devoted to Employment Uses listed in the PD MUB District use regulations, either by-right if Permitted Uses or pursuant to a future approved special exception if Special Exception Uses.

2. Commercial Uses. A minimum of five percent (5%) of the total floor area constructed on the Property shall be devoted to Commercial Uses listed in the PD-MUB District use regulations, either by-right if Permitted Uses or pursuant to a future approved special exception if Special Exception Uses.

a. Not more than 393,825 square feet of the 3,696,025 square feet of employment, commercial and public/civic/institutional uses shall be non-hotel commercial uses.

b. At least 200,000 square feet of the non-hotel commercial uses shall be "employment supportive" uses, such as, but not limited to, the following examples: delicatessens, coffeehouses, restaurants, convenience stores, grocery stores, office supply stores, drug stores/pharmacies, greeting card stores, automobile service stations, retail sales establishments that are located on the first floor of a multi-story office building or multifamily residential building and provide convenient sales and dining services to the employees and residents on-site (collectively, "Employment Supportive Uses").

c. With the exception of (i) one (1) grocery store, (ii) one (1) health and fitness center, and (iii) one (1) specialty retail sales establishment offering merchandise and programs related primarily to outdoor recreational uses and activities (such as, but not limited to, hiking, biking and/or water-related sports), each of which may contain up to 60,000 square feet, no individual retail sales establishment shall exceed 30,000 square feet of gross floor area. Any retail sales establishment greater than 30,000 square feet shall be designed as required in Proffer V.

d. A minimum of fifty percent (50%) of the Employment Supportive Uses shall be located within mixed-use buildings containing at least two (2) different use categories.

e. The Owner may develop up to two (2) hotel uses, which in the aggregate shall not exceed a total of either 475,000 square feet or 570 rooms. At least one (1) of the hotels shall be a "full service hotel," which shall mean that it will have a range of services and amenities, including (i) a sit-down restaurant containing a minimum of 3,500 square feet, (ii) room service, (iii) concierge services, and (iv) meeting rooms containing a minimum total of 3,500 square feet.

f. The Owner shall not solicit the existing department stores (a retail establishment that carries several lines of merchandise, such as men's and women's ready to wear clothing and accessories, piece

goods, small wares and home furnishings where merchandise is segregated into different departments, each having a specialist manager) which are currently located within an enclosed regional mall within 2.5 miles of the Property, to relocate to the Property. These restrictions do not apply to movie theaters, gym/work out and recreation facilities, grocery stores or any other retail use or tenant.

3. Residential Uses. A minimum of ten percent (10%) of the total floor area constructed on the Property shall be devoted to Residential Uses listed as Permitted Uses in the PD-MUB District use regulations. All residential uses on the Property shall consist of multifamily dwelling units and shall be located in Land Bays A, C, D, E and/or F, as such land bays are identified on Sheets 11 and 12 of the Concept Plan. For any portion of the Property on which the Owner desires to develop multifamily dwelling units to be sold as separate units (such as condominium ownership), no zoning permit for, nor any conversion to, such for-sale units shall be permitted unless and until any community development authority ("CDA") debt payment obligations applicable to such portion of the Property, if any, have been fully satisfied. The Owner shall provide the Department of Management and Financial Services with 60 days written notice prior to any conversion of rental units to such for-sale units for the purpose of confirming that the CDA payment obligations for such units have been fully satisfied prior to such conversion. If a zoning permit has not been issued for the recreational facility/baseball stadium approved with SPEX 2008-0054 Kincora Village – Office/Recreational Complex (the "Ballpark") prior to commencement of construction of the 1,550,001st square foot of non-residential uses on the Property, then the maximum number of residential dwelling units on the Property shall not exceed 1,100 dwelling units, inclusive of ADUs and unmet housing needs (workforce housing) units.

4. Public/Civic/Institutional Uses. A minimum of five percent (5%) of the total land area of the Property shall be devoted to Public/Civic/Institutional Uses listed in the PD-MUB District use regulations, either by-right if Permitted Uses or pursuant to a future approved special exception if Special Exception Uses. Examples of the Public/Civic/Institutional uses that may be provided include educational institutions; public uses such as government offices, post offices, public meeting halls, public libraries, public art, and public museums; parks such as village greens, plazas, and sculpture and flower gardens; community centers; community center for performing arts in accordance with Proffer I.G.; church, synagogue, temple or mosque sites; cultural centers such as a performing arts center; outdoor amphitheaters; and the uses contemplated for the public use site identified in Land Bay N on Sheet 9 of the Concept Plan and described in Proffer VI.A. At a minimum, four (4) of the examples listed above as Public/Civic/Institutional uses shall be provided on the Property. If Public/Civic/Institutional uses are provided in buildings, the actual floor area of the portion of any building containing any such use shall be counted toward the minimum five percent (5%) of the total land area of the Property to be devoted to such Civic/Public/Institutional uses.

5. Parks and Open Space. A minimum of ten percent (10%) of the land area of the Property shall be devoted to parks and/or open space; no more than fifty percent (50%) of which shall be located within the River and Stream Corridor Resources area (as defined in Proffer II.G. herein), and no more than twenty-five percent (25%) of which shall be located within the buffers required pursuant to these Proffers and/or the Zoning Ordinance (such as landscape buffers along Pacific Boulevard) and "leftover spaces." A minimum of twenty-five percent (25%) of which shall be located outside of the River and Stream Corridor Resources area and the required buffers. Such parks and/or open space areas may include tot lots, pocket parks, stormwater management facilities constructed as wet ponds with year round amenities, pathways and similar passive recreational amenities. Notwithstanding that parks and/or open space are being provided pursuant to this Proffer, it is the intent of this Proffer that the parks and/or open space provided pursuant hereto shall be deemed to meet the requirements of Section 4-1355(A)(5) of the Zoning Ordinance, and that those elements of the parks and/or open space found to satisfy the applicable definition of parks and/or open space as set forth in the Comprehensive Plan shall be included in the calculation of parks and/or open space provided for purposes of compliance with Section 4-1355(A)(5) of the Zoning Ordinance.

6. Site Plan Tabulations. Prior to the approval of each site plan for development on the Property, the Owner will submit a tabulation depicting (i) the total minimum amounts of employment, commercial, residential, public/civic/institutional, and parks and/or open space uses required to be provided on the Property pursuant to these Proffers, (ii) the amount of employment, commercial, residential, public/civic/institutional, and parks and/or open space provided with previously approved site plans, (iii) the amount of employment, commercial, residential, public/civic/institutional, and parks and/or open space provided with the subject site plan, and (iv) the remaining amount of employment, commercial, residential, public/civic/institutional, and parks and/or open space to be provided on the balance of the Property, to insure the minimum percentages of uses will be provided.

7. PD-MUB Incentives for Additional Floor Area. No FAR increase associated with any of the requested PD-MUB incentives pursuant to Zoning Ordinance Section 4-1359 regarding structured parking (**Exhibit E**, #2), affordable/unmet housing needs (**Exhibit E**, #3), full service hotel (**Exhibit E**, #4) and shuttle bus service (**Exhibit E**, #5) shall be available to the Owner until either an occupancy permit has been issued or a site plan has been approved, as appropriate, for the subject incentive structure or structures or, in the case of the shuttle service, the service is in operation and serving the Property.

C. Route 28 Prepayment of Taxes.

Within 60 days of approval of this rezoning application ZMAP 2008-0021, the Owner shall pay to the Treasurer, County of Loudoun, the sum of money representing the present value of the future special improvements taxes attributable to the portion of the Property hereby rezoned to be developed with multifamily residential dwelling units, such amount to be determined in accordance with the formula and provisions as adopted by the Board of

Supervisors for optional residential development within the Route 28 Tax District pursuant to § 15.2-4608 of the Code of Virginia. **All residential uses on the Property shall be constructed on a separate parcel or within a separate condominium ownership unit that does not include any non-residential uses to permit all future non-residential uses on the Property to remain subject to the applicable special taxes for the Route 28 Tax District.**

D. Affordable Dwelling Units/Unmet Housing Needs.

The residential uses on the Property shall comply with Article VII of the Zoning Ordinance, unless such residential uses are exempt from the County's Affordable Dwelling Unit Program (the "ADU Program") (i.e., because they contain a minimum total of four (4) stories and an elevator). To the extent the residential uses on the Property are exempt from the ADU Program, at least six and one quarter percent (6.25%) of such residential dwelling units constructed on the Property that otherwise would be exempt, up to a maximum of 88 dwelling units (the "ADU-Equivalent Units"), shall be affordable for purchase by households whose income is greater than thirty percent (30%) and less than seventy percent (70%) of the area median income for the Washington Primary Metropolitan Statistical Area ("AMI") or affordable for rent by households whose income is greater than thirty percent (30%) and less than ~~sixty~~**fifty** percent (~~60~~**50**%) of the AMI.

In addition to the provision of said ADU-Equivalent Units, at least ten percent (10%) of the total residential dwelling units constructed on the Property, up to a maximum of 140 dwelling units (the "Unmet Housing Needs Units") shall be affordable for purchase or rental by households whose income does not exceed one-hundred percent (100%) of the AMI, with (i) at least forty percent (40%) of such Unmet Housing Needs Units to be affordable for purchase or rental by households whose income does not exceed eighty-five percent (85%) of the AMI, and (ii) nine percent (9%) of such Unmet Housing Needs Units, up to a maximum of 12 dwelling units to be affordable for purchase or rental by households whose income does not exceed thirty percent (30%) of the AMI. All of the Unmet Housing Needs Units shall be provided as multifamily units in mixed-use buildings.

The ADU-Equivalent Units and the Unmet Housing Needs Units shall, at the Owner's election, be administered either (a) consistent with the terms provided in the Affordable Dwelling Unit provisions of Article 7 of the Zoning Ordinance and in accordance with Chapter 1450 of the Loudoun County Codified Ordinances, except that (i) the income limit for qualified purchasers or renters of the Unmet Housing Needs Units shall be consistent with the commitments in the preceding paragraph, not to exceed 100% of AMI, and (ii) all or any portion of the ADU-Equivalent Units and/or the Unmet Housing Needs Units may be located in a single building notwithstanding any provision of Article 7 to the contrary, or (b) subject to a federal or state affordable housing program**, except the income limits established in this Proffer for the various units shall be the maximum notwithstanding that higher income limits may be allowed by such federal or state program**. The affordability requirements, including income limits, set forth herein for all ADU-Equivalent Units and all Unmet Housing Needs Units will be

set forth in a covenant approved by the County Attorney and recorded among the land records of Loudoun County, and shall remain in effect for a minimum of 20 years from the date such covenant is first recorded.

E. Windy Hill Foundation.

The Owner shall reserve, from the date of the approval of this rezoning application ZMAP 2008-0021 to December 31, 2012, a minimum of three (3) acres in Land Bay E for conveyance to the Windy Hill Foundation, pursuant to a separate private agreement between the Owner and the Windy Hill Foundation, for the purpose of constructing a mixed-use, mixed-income multifamily residential building consisting of ADU-Equivalent Units and/or Unmet Housing Needs Units to be provided in Proffer I.D. above.

F. Linkage of Office and Other Non-Residential Uses to Residential Development.

The mix of land uses shall be developed in accordance with the phases described in **Exhibit H** attached hereto, as more specifically described below:

1. Land Use Phase 1. The total number of zoning permits for residential units to be issued during Land Use Phase 1 shall not exceed 550 market rate units and 96 ADU-Equivalent Units and Unmet Housing Needs Units; provided zoning permits for an additional 150 market rate dwelling units may be issued during Land Use Phase 1 if a zoning permit has been issued for the recreational facility/baseball stadium approved with the Ballpark. In addition to any other improvements to be completed (or bonded for construction) pursuant to these Proffers, prior to the commencement of Land Use Phase 2, the Owner shall have received zoning permits for at least 995,000 square feet, or 1,145,000 square feet **(exclusive of the recreational facility/baseball stadium)** if a zoning permit is issued for the Ballpark, of non-residential uses for the Property and/or for the portions of PIN # 041-29-8238 which are not included in ZMAP 2008-0021 (hereinafter defined as the "PD-IP Portion," subject to SPEX 2008-0054). Land Use Phase 1 shall consist of the following uses:

a) A minimum of 300,000 square feet of employment uses located in one or more office buildings, each containing at least 100,000 square feet with a minimum of four (4) floors;

b) A maximum of 195,000 square feet of non-hotel commercial uses consisting of a minimum of 100,000 square feet of Employment Supportive Uses;

c) A maximum of 150,000 square feet of hotel use;

d) A maximum of 550 market rate, non-ADU-Equivalent and non-Unmet Housing Needs units;

e) An additional 150 market rate, non-ADU-Equivalent and non-Unmet Housing Needs units, in the event a zoning permit for the Ballpark has been issued; and

f) A minimum of 96 ADU-Equivalent Units and/or Unmet Housing Needs Units.

2. Land Use Phase 2. The total number of zoning permits for residential units to be issued during Land Use Phase 2 shall not exceed 75 market rate units and 75 ADU-Equivalent Units and Unmet Housing Needs Units; provided zoning permits for an additional 150 market rate dwelling units may be issued during Land Use Phase 2 if an occupancy permit has been issued for the Ballpark. In addition to any other improvements to be completed (or bonded for construction) pursuant to these Proffers, prior to the commencement of Land Use Phase 3, the Owner shall have received zoning permits for at least ~~1,725,000~~**2,125,000** square feet, or ~~1,875,000~~**2,275,000** square feet **(exclusive of the recreational facility/baseball stadium)** if a zoning permit is issued for the Ballpark, of non-residential uses for the Property and/or for the PD-IP Portion. Land Use Phase 2 shall consist of the following uses in addition to those permitted in Land Use Phase 1:

a) A minimum of ~~300,000~~**700,000** square feet of employment uses located in one or more office buildings, each containing at least 100,000 square feet with a minimum of four (4) floors;

b) A maximum of 105,000 square feet of non-hotel commercial uses consisting of a minimum of 80,000 square feet of Employment Supportive Uses;

c) A maximum of 325,000 square feet of hotel use;

d) A maximum of 75 market rate, non-ADU-Equivalent and non-Unmet Housing Needs units;

e) An additional 150 market rate, non-ADU-Equivalent and non-Unmet Housing Needs units, in the event an occupancy permit for the Ballpark has been issued; and

f) A minimum of 75 ADU-Equivalent Units and/or Unmet Housing Needs Units.

3. Land Use Phase 3. When zoning permits have been issued for more than ~~1,725,000~~**2,125,000** square feet of non-residential uses for the Property and the PD-IP Portion, or for more than ~~1,875,000~~**2,275,000** square feet **(exclusive of the recreational facility/baseball**

stadium) if the Ballpark is constructed and occupied, there shall be no further linkage limitation on the timing of residential uses on the Property.

G. **Community Center for Performing Arts and Related Civic Uses.**

The Owner shall reserve, for a period of 15 years from the date of issuance of the first occupancy permit for the Property, a minimum of 2 acres in Land Bay J for donation to a non-profit entity for the purpose of constructing a community center for performing arts and related civic uses. In the event during such 15-year period a community center for performing arts and related civic uses is approved by any such non-profit entity for construction on the Property and donations have been received and/or agreements have been executed that will fully fund the design, engineering and construction of such center, then the Owner will, at its own cost, promptly take all necessary steps to create and obtain County approval of the 2-acre site as a separate subdivided parcel and donate, for no monetary compensation, such reserved parcel to such non-profit entity for the purpose of constructing such center. The following conditions shall apply to this reservation:

1. If, prior to the Owner being given notice that a non-profit entity has approved construction on the Property and that donations have been received and/or agreements have been executed that will fully fund the design, engineering and construction of such center, an occupancy permit is issued for such a community center for performing arts containing a performing arts theater of at least 350 seats on property located within 5 miles of the Property, then the Owner shall no longer be required by this Proffer to reserve a 2-acre site for such a center. The Owner shall advise the County of such off-site community center for performing arts concurrently with the Owner's submission of any site plan application for development of any permitted use other than the community center for performing arts on the 2-acre reservation area.

2. Prior to the donation of the site for a community center for performing arts and related civic uses, the Owner shall identify parking areas on the Property, within and/or outside of such 2-acre site, that will be available to the users of such community center for performing arts to meet the parking required for such facility under the Zoning Ordinance.

3. The Owner shall (i) construct street access and sidewalks to the community center for performing arts site, (ii) extend sewer, water, telephone, natural gas and electric service to the perimeter of the community center site, and (iii) design and construct, off-site from the community center site, such stormwater detention facilities as may be necessary to accommodate and detain stormwater runoff from the community center site, including planned paved areas and buildings, all concurrent with the Owner's own development activities on the portion of the Property abutting the community center site.

H. **Central Plaza and Other Significant Plaza Areas.**

Prior to or concurrent with issuance of an occupancy permit for either the 401st residential dwelling unit inclusive of ADU-Equivalent Units and Unmet Housing Needs Units or the 325,001st square foot of non-residential uses, the Owner shall provide a central plaza consisting of approximately 100,000 square feet generally in the location shown in Land Bay J identified on the Concept Plan. The Owner shall provide public amenities in the central plaza that may include, but not be limited to, ponds, fountains, public art, plant beds, benches, drinking fountains, clock pedestals, and other similar features. The central plaza shall be consistent with the character and quality of the description of such central plaza shown on Sheets 20, 22 and 25 of the Concept Plan and in **Exhibit G**. All buildings that adjoin the central plaza shall be a minimum of two (2) stories.

Prior to or concurrent with issuance of an occupancy permit for Land Bay D, the Owner shall provide a plaza consisting of a minimum of 10,000 square feet generally in the location adjacent to Land Bay D (between Road 4 and Road 5) as shown and identified on Sheets 11 and 12 of the Concept Plan.

Prior to or concurrent with issuance of an occupancy permit for Land Bay F, the Owner shall provide a plaza consisting of approximately 35,000 square feet generally in the location in Land Bay F as shown and identified on Sheet 11 of the Concept Plan.

I. Building Heights.

Buildings with frontage along the west side of Pacific Boulevard within Land Bays B, F, and J, with no office buildings between such buildings and Route 28, shall be constructed to heights of a minimum of 4 stories or 50 feet. Buildings within Land Bay Q, with no buildings between such building and Route 28, shall be constructed to heights of a minimum of 4 stories or 50 feet. Building heights shall not exceed those depicted on Sheets 8-12 of the Concept Plan.

J. Vertically Mixed Building Design.

A minimum of fifty percent (50%) of the buildings constructed on the Property shall contain a vertical mix of uses (such as, for example, ground floor retail with upper story residences or offices) consisting of at least 2 different use categories such as employment, residential, commercial and public/civic/institutional space. The Owner shall provide a tabulation with each site plan submission depicting the total number of all existing buildings located on the Property and the number of those buildings that contain a vertical mix of at least 2 different uses. This tabulation shall be updated with each site plan submission to demonstrate those existing buildings, and those proposed buildings that will contain a vertical mix of uses, as well as the number of buildings to be constructed under future site plans necessary to achieve the above-stated 50% minimum requirement. At full build-out, a minimum of seventy (70%) of the buildings located adjacent to Roads 2, 6, 8 and 9 as shown on the Concept Plan shall consist of a vertical mix of uses.

K. Zoning Modifications.

The Owner is requesting approval of certain modifications to the Zoning Ordinance ("ZO"~~), Land Subdivision and Development Ordinance ("LSDO"), and the Facilities Standards Manual ("FSM")~~) as identified in **Exhibit B** entitled "Zoning Ordinance ("ZO"~~), Facilities Standards Manual ("FSM") and Land Subdivision & Development Ordinance ("LSDO")~~) Modifications" dated ~~May 10,~~**June 4,** 2010. To the extent such modifications are approved, the Owner will utilize such modifications only in accordance with the statements made in justification of, and consistent with the illustrations shown on the ~~5~~**three** pages titled "Zoning Modifications Kincora Village," dated January 11, 2010 and March 25, 2010, included in the requests for such modifications, as contained in **Exhibit B**.

L. Floodplain Boundaries.

To the extent the elevations and/or boundaries of the floodplain on the Property, as identified on the current Floodplain Map of Loudoun County, are altered, relocated and/or updated as a result of either (i) construction performed by an entity that is exempt from the Zoning Ordinance (such as the Virginia Department of Transportation ("VDOT")), or (ii) approvals under the applicable provisions for updating, correcting, interpreting or altering floodplain boundaries provided in the Zoning Ordinance, the Owner reserves the right, without requiring a proffer amendment or zoning concept plan amendment, to use, for any use permitted by-right or by an approved special exception in the underlying zoning district, those areas currently located within the existing boundaries of the floodplain as shown on the Floodplain Map of Loudoun County, which in the future are no longer within the floodplain, including the right to use the area within any buffer associated with such former floodplain area; provided that (i) the total maximum non-residential floor area and the total maximum number of residential units and maximum amount of residential square footage committed in these Proffers shall not be exceeded, ~~and~~ (ii) the use of such areas shall comply with applicable federal and state laws and regulations regarding floodplain management and protection, including, without limitation, Federal Emergency Management Administration regulations, if applicable**, and (iii) the 50-foot management buffer along the relocated floodplain boundary shall be preserved and remain in its natural state as provided in Proffer II.G., except to the extent necessary for construction of Pacific Boulevard as shown on the Concept Plan and related utilities and trails**.

II. ENVIRONMENTAL

A. Heron Rookery.

Except for the construction, operation and maintenance of the wetlands and stream mitigation bank, on-site wetlands and stream mitigation, or riparian reforestation, no use, including the pedestrian trail system shall be located within the 700-foot Rookery Radius shown on Sheet 12 of the Concept Plan, which shall serve as a setback from the documented location of

the Great Blue Heron Rookery identified on Sheet 12 of the Concept Plan. During the heron nesting season from March 1st to June 30th each year, no land disturbing activity shall be performed within the area defined as the 1,400-foot Rookery Radius shown on Sheet 12 of the Concept Plan.

B. Central Water and Sanitary Sewer.

The Property shall be developed using central water and sewer facilities, which shall be provided to the Property at no cost to Loudoun County (the "County") or to Loudoun Water. Water and sewer lines, pumping stations and related utility equipment shall be extended to the Property in accordance with Loudoun Water's adopted Master Plan for provision of water and sewer service.

C. Limits of Clearing and Grading.

The limits of clearing and grading for all development on the Property shall be depicted as shown on the Concept Plan on each site plan submission. Encroachments beyond the limits of said clearing and grading shall be permitted only for utilities, necessary road improvements, stormwater management facilities, wetland and stream mitigation activities, or trail development. Any necessary road crossings shall, to the extent practicable, be designed to minimize the extent of any encroachment beyond the limits of clearing and grading shown on the Concept Plan.

D. Wetland and Stream Mitigation, Riparian Preservation and Reforestation, and Wetland Mitigation Bank.

Prior to issuance of the first occupancy permit for any of the uses on the Property, the Owner shall, subject to issuance of, and pursuant to, all requisite permits and approvals, provide wetland mitigation, stream enhancement, riparian preservation and reforestation, and install the wetland mitigation bank in the amounts specified in, at the general locations depicted on, and of a character consistent with, the Kincora Broad Run Restoration Concept Plan bearing date of January 2010, with revision dates from June 22, 2009 through July 8, 2009, prepared by Wetland Studies and Solutions, Inc. of Gainesville, Virginia (the "Restoration Concept Plan"), attached to these Proffers as **Exhibit F**. Such wetland mitigation, stream enhancement, riparian preservation and reforestation, and wetland mitigation bank shall be in substantial conformance with the design specifications, success criteria, and monitoring program contained in the Kincora On-Site Mitigation Plan (Grading Permit X20090680001) dated April 2008, as amended and approved by the County, with the exception that the planting plan (Sheets 26 through 40) shall be upgraded to incorporate the following minimum specifications for the category labeled "Additional Trees (Required for All Alternatives)" depicted on Sheets 37 through 39: 3 gallon, containerized, native deciduous trees planted at a density of 222 trees per acre on a 14-foot by 14-foot staggered grid.

In the event that wetland mitigation, stream enhancement, riparian preservation and reforestation, and/or wetland mitigation bank activities exceeding the quantities identified in **Exhibit F** are required to offset impacts associated with the uses on PIN # 041-29-8238, inclusive of utilities, necessary road improvements, stormwater management facilities, and trail development, the Owner shall provide the additional mitigation elsewhere on PIN # 041-29-8238 and/or on PIN #'s 042-29-6582 and/or 042-49-0209 to the maximum extent possible. If such additional mitigation cannot be provided on the aforementioned Tax Map Parcels, the Owner shall provide the mitigation according to the following prioritized order: (1) within the Broad Run Watershed within the same geographic Planning Policy Area, (2) within the Broad Run Watershed within Loudoun County, and (3) within Loudoun County, subject to approval by the U.S. Army Corps of Engineers and the Virginia Department of Environmental Quality. Subsequent amendments to the Kincora Broad Run Restoration Concept Plan, as may be approved by the Department of Building and Development, the Virginia Department of Environmental Quality and the Army Corps of Engineers, shall not require approval of a zoning concept plan amendment as long as such amendments remain in substantial conformance with the amounts specified in, and of a character consistent with, the Restoration Concept Plan.

All mitigation activities within the limits of the proffered "'Natural' Open Space within RSCOD" (see Proffer IV.C.) will be coordinated with the Department of Parks, Recreation and Community Services. As soon as reasonably available each year until all state and federal permits have been released, a copy of the Annual Mitigation and Monitoring Report for Success Criteria required to be prepared and submitted by the Owner's environmental consultant pursuant to the requirements of the Army Corps of Engineers and Virginia Department of Environmental Quality shall be provided to the County's Director of Building and Development and to the Chief Park Planner, Department of Parks, Recreation and Community Services.

E. Open Space Easements.

Prior to the approval of the first site plan or construction plans and profiles for any use on the Property, the Owner shall grant the County a perpetual Open Space Easement pursuant to Title 10.1, Chapter 17 Open- Space Land Act of the Code of Virginia ("Easement"), over and upon all of the land areas identified on the Restoration Concept Plan (**Exhibit F**) by the following labels: "Riparian Preservation Area," "Conservation Area," "Riparian Reforestation Area," "RSCRE Reforestation Area," "Stream Enhancement Area," "Wetland Mitigation Area," "Wetland Mitigation Bank Area" and over and upon all of the land areas identified on the Concept Plan as "Tree Preservation Area." The terms of such Easement shall grant the County a right of access to the Property subject to the Easement and the right to provide and/or complete the required wetland mitigation, stream enhancement, RSCRE reforestation, riparian preservation and reforestation, and wetland mitigation bank in the amounts specified and in the areas depicted on the Restoration Concept Plan (**Exhibit F**) in the event such actions are not completed by the Owner. Such Easement(s) shall be in a form approved by the County Attorney and shall be recorded among the land records at no cost to the County. Additionally, the Owner

shall post a bond with the County in an amount sufficient to cover the cost of providing and completing the RSCRE reforestation, riparian preservation and reforestation, stream enhancement, wetland mitigation, and wetland mitigation bank, as shown on the Restoration Concept Plan, to the extent that these activities are not already subject to any state or federal bond. Boundaries of the Easement shall be depicted on all site plans and construction plans and profiles submitted for the uses on the Property.

It is understood that, as necessary to permit the development on the Property of the uses described in these Proffers and shown on the Concept Plan, the County will cooperate with the Owner to confirm, clarify and amend, generally consistent with the draft form Amended Deed of Open Space Easement attached to this Proffer Statement as **Exhibit C**, the existing open space easement that was dedicated to the County pursuant to the Deed of Open Space Easement recorded in Deed Book 2314, at page 1589 among the land records in the Clerk's Office of the Circuit Court of Loudoun County, Virginia. To the extent required by the Open-Space Land Act, and if necessary to allow for a release of any portion of the existing open space easement in accordance with Virginia Code § 10.1-1704.A, the Owner will, prior to or concurrently with such release, subject substitute land, acceptable to the Board of Supervisors, to replace such portions of the existing open space easement to be released.

F. Tree Preservation.

Within the areas labeled "Tree Preservation Outside Riparian Preservation" on Sheets 24 and 25 of the Concept Plan, the Owner shall preserve a minimum of eighty percent (80%) of the existing canopy, exclusive of stands of Virginia Pine over 25 years in age. A maximum of twenty percent (20%) of the existing canopy may be removed to the extent necessary for the construction and/or installation of (a) utilities other than stormwater management ponds and similar facilities, (b) trails required pursuant to these Proffers, and (c) necessary road improvements.

If, during construction on the Property, it is determined by the Owner's certified arborist or the County that any healthy tree located within the boundaries of any of the Riparian Preservation or Tree Preservation Outside Riparian Preservation areas shown on Sheets 24 and 25 has been damaged during construction and shall not survive, then the Owner shall remove each such tree and replace each such tree with two (2) 2 1/2 - 3 inch caliper native, non-invasive deciduous trees. The placement of the replacement trees shall be proximate to the area of each such damaged tree so removed, or in another area as requested by the County.

After construction has been completed by the Owner, Forest Management Techniques, performed by or recommended by a professional forester or certified arborist and approved by the County's Urban Forester and/or the Department of Building and Development, that are necessary to protect or enhance the viability of the canopy may be undertaken. Such Management Techniques may include, without limitation, pruning and the removal of vines, invasive species, trees uprooted or damaged by extreme weather conditions, and trees or limbs

that are diseased, insect-infested, dead, or are considered a hazard to life or Property. Every site plan and any construction plans and profiles for any use on the Property that includes a portion of the land area required to be subject to the Easement described in Proffer II.E. above shall contain a note stating that the removal of trees within the Open Space Easement is prohibited except in accordance with the provisions outlined in these conditions and the recorded Open Space Easement.

G. River and Stream Corridor Resources (RSCRE) Reforestation.

With the exception of the encroachments depicted on the Concept Plan, the River and Stream Corridor Resources (defined as including 100-year floodplains; adjacent steep slopes of twenty-five percent (25%) or greater, starting within 50 feet of streams and floodplains and extending no farther than 100 feet beyond the originating stream or floodplain; and the 50-foot management buffer surrounding floodplains and such adjacent steep slopes) within the Property shall be preserved and remain in their natural state. The Owner shall replant open areas within or adjacent to the 100-year floodplain, without the need for a floodplain study, floodplain alteration or floodplain alteration waiver, in an amount equal to the area of the proposed development shown on the Concept Plan that encroaches into the River and Stream Corridor Resources, as shown on the Restoration Concept Plan. Such replanting shall be located first, to the extent feasible, in the general vicinity of the areas disturbed, second, in the areas identified as "RSCRE Reforestation Area" on the Restoration Concept Plan (**Exhibit F**), and third, within PIN #'s 042-29-6582, 042-29-8238, and/or 042-49-0209. The amount of such replanting shall exceed the 3.0 acres shown on the Restoration Concept Plan as necessary to achieve an amount equal to the areas of the proposed development that encroach into the River and Stream Corridor Resources.

The Owner shall submit a riparian planting plan, prepared by a professional forester, landscape architect, or certified arborist, for such replanting areas. Such replanting plan shall be submitted at the time of each site plan or construction plans and profiles proposing the development of any area that encroaches into the River and Stream Corridor Resources for review and approval by the County Urban Forester. Each such plan shall provide for 3 gallon, containerized, native, deciduous trees to be planted at a density of 300 trees per acre on a 12-foot by 12-foot staggered grid. Each approved riparian planting plan shall be implemented concurrent with the development of the areas subject to such site plans or construction plans and profiles prior to occupancy. In the event that a targeted stocking of seventy-five percent (75%) survival with uniform distribution is not achieved within 1 year, the Owner shall provide supplemental planting to achieve the targeted stocking.

H. Stormwater Management Best Management Practices (SWM/BMPs)/Low Impact Development Techniques (LIDs).

The Property shall be developed in accordance with Best Management Practices (BMPs). Any stormwater management ponds constructed on the Property shall be designed and constructed as an enhanced extended detention dry pond or retention (wet) facility.

Notwithstanding the SWM/BMPs depicted on the Concept Plan, Low Impact Development Techniques, such as but not limited to green roofs, rain gardens, cisterns, and planted swales shall be incorporated into the Property's overall stormwater management approach where practicable in order to meet the applicable stormwater management requirements of Loudoun County inclusive of those BMPs depicted on the Concept Plan. The locations and water quality benefits of such proposed LID techniques shall be included in each site plan and construction plans and profiles submitted for the uses on the Property.

I. Stormwater Management Filter/Cartridge Maintenance.

To the extent the Owner installs underground (cartridge or filter system) stormwater management facilities, the Owner shall be responsible to maintain, repair, and replace such facilities at its sole cost and expense in accordance with Chapter 1096 Stormwater Management of the Codified Ordinances of Loudoun County. The County, its agents, employees, successors and assigns, shall be entitled to have access to such facilities at any time to inspect, to ensure the fulfillment of the maintenance responsibilities, and, if necessary, at the County's sole discretion, to conduct such maintenance, repair and replacement as may be necessary, at the Owner's expense. Prior to approval of any site plan, grading plan, or construction plans for the construction or installation of any such underground facilities, the Owner shall furnish a written maintenance agreement in a form approved by the County Attorney and a financial guarantee in the form of a cash escrow or irrevocable letter of credit satisfactory to the Director of General Services to secure its obligation to provide appropriate and necessary maintenance, repair, and replacement of such underground stormwater management facilities. The financial guarantee shall remain in force and effect for a period of 25 years, and the amount of the financial guarantee shall be One Thousand Six Hundred Twenty-Five and 00/100 ($1,625.00) per underground filter or cartridge covered by the maintenance agreement unless the Director of the Department of General Services shall approve a lesser amount. The maintenance agreement shall be recorded among the land records and shall remain in force for so long as such underground facilities remain in use. The amount required for such financial guaranty shall be adjusted every five (5) years to reflect escalation of such amount in accordance with the CPI from a base year of 2010 (see Proffer VIII.C.).

J. Broad Run Water Quality Monitoring.

Surface water quality monitoring shall be conducted by the Owner for the purpose of monitoring water quality impacts of the uses on the adjacent Broad Run. The Owner shall, in cooperation with County Staff, and concurrent with submission of the first site plan or construction plans and profiles for a use on the Property, whichever is first in time, develop a water quality monitoring plan for monitoring sites quarterly, that identifies the location of monitoring sites, sampling and assessment protocols, format of data reporting, and water quality thresholds as a basis for corrective action based on sampling. If at any time the monitoring results exceed the established water quality thresholds, the Owner shall take immediate action to investigate the condition. If the condition is a result of activity on the Property, the Owner shall

take immediate action to remediate the condition to the established water quality thresholds. Monitoring activities shall begin at least 30 days prior to land disturbance associated with construction of the first use on the Property and shall continue to be conducted through a time period extending one year after release of the final construction performance bonds for the final build-out of all uses shown on the Concept Plan. The County shall have the authority, with adequate notice to the Owner, to enter the Property at any time to test the water quality of Broad Run and its tributaries.

K. Trails Located Within the River and Stream Corridor Resources.

Trails permitted by these Proffers and located within the River and Stream Corridor Resources shall be constructed with pervious surfaces and, where such trails cross jurisdictional waters and/or wetlands, raised boardwalks, with designs consistent with the sections provided on Sheet 15 of the Concept Plan, provided the Owner reserves the right to construct an impervious trail connection from the developable portion of the Property to the heron rookery observation platform to be constructed pursuant to Proffer IV.B. Public access easements shall be provided on all trails located within the floodplain. Public access easements shall be provided on all trails located within the floodplain.

L. Green Building Practices.

The Owner shall employ development attributes of the United States Green Building Council's Leadership in Energy and Environmental Design ("LEED") program into the planning of the employment and residential buildings that are a minimum of 4 stories or 50 feet in height on the Property. Those elements may include, but shall not be limited to, sustainable site design, water efficiency, energy management, materials and resource reuse, and/or interior environmental quality. The following alternative transportation-related elements shall be included throughout the Property:

a. secure bicycle parking areas for all employment and commercial buildings and sheltered bicycle parking areas for multifamily residential buildings;

b. shower facilities for use by employees in all buildings at least 4 stories or 50 feet in height and containing greater than 100,000 square feet of non-residential uses; and

c. the locating of a bus or shuttle stop within one-quarter (1/4) mile of each employment and commercial building, to be provided by the two (2) bus shelters identified in Proffer III.I. and such additional stops as may be required to meet this standard.

While this Proffer shall not be construed as a commitment to obtain a certain level of LEED certification, the design and construction of all employment and residential buildings a minimum of 4 stories or 50 feet in height will incorporate sustainable building elements for LEED version 3 for New Construction or for Core and Shell, or the current version of LEED effective at the time of site plan submission, and will be designed to achieve LEED goals, including reduction in potable water use, energy use reductions, construction waste diversion from landfills or incinerators, and enhanced indoor environmental conditions, to the extent the Owner determines that such LEED elements and goals can be incorporated without impairing the competitiveness of the Owner's buildings in the marketplace.

The Owner shall employ a LEED accredited professional in the design of each employment and residential building a minimum of 4 stories or 50 feet in height.

All residential buildings and individual dwelling units shall be outfitted with energy efficient appliances including, but not limited to, ENERGY STAR or an energy efficient rating equivalent qualified dishwashers, refrigerators and clothes washers. In addition, each residential building shall include conveniently located facilities to enable residents to recycle mixed waste products.

Notwithstanding the provisions as stated above, any residential building containing ADU-Equivalent Units and Unmet Housing Needs Units in accordance with Proffers I.D. and I. E. shall be constructed according to the EarthCraft program or an equivalent energy efficient building certification program for residential buildings. Certification according to the EarthCraft program, or an equivalent energy efficient building certification program for residential buildings, for that portion of each building containing ADU-Equivalent Units and Unmet Housing Needs Units shall be provided to the Loudoun County Department of Building and Development prior to the issuance of the first occupancy permit for such building.

III. TRANSPORTATION

A. Road Network.

Unless otherwise specified in the Proffers, all roads required for access to and within the Property shall be constructed in accordance with the County's Land Subdivision and Development Ordinance and the FSM to provide access to the various portions of the Property as they are developed. All public roads required for access to and within the Property shall be designed and constructed in accordance with applicable VDOT and County standards. Except as provided in Proffer III.C., on-site public roadways shall be constructed as development of each section of the Property that includes such roadways occurs consistent with the timing specified in Proffer III.D.

Dedication of land for public roads and parallel trails shall be accompanied by a grant of all related easements outside the dedicated right-of-way, such as slope, maintenance, storm

drainage and utility relocation easements, necessary to construct the public roads and parallel trails shown on the Concept Plan within the Property and along the Property's existing public street frontage. Dedication of right-of-way and easements to the County for the public roads and parallel trails shown on the Concept Plan shall occur concurrently with development of each section of the Property unless already dedicated. However, if requested by the County to dedicate the right-of-way and related easements in advance of development on the Property, the Owner shall make such dedication: (1) if others have prepared and obtained final approval of construction plans and profiles consistent with the Concept Plan, which require dedication to commence construction; and (2) provided that the Owner shall not be obligated to incur costs or post bonds with the County in connection with such dedication.

B. Pacific Boulevard Alignment.

The final alignment of Pacific Boulevard as it crosses the northeast corner of the site and Broad Run and connects to Russell Branch Parkway shall be established within an area within the Pacific Boulevard construction envelope (the "Pacific Boulevard Envelope") shown on Sheets 11 and 13 of the Concept Plan**; provided, however, that such final alignment shall not be located within the current building footprint of the existing house on Loudoun County Tax Map Parcel PIN # 040-39-5426 as shown on the Concept Plan, unless the owner of such house consents in writing to such alignment**. The final alignment shall be determined at the time VDOT right-of-way plans and/or Owner-initiated construction plans and profiles are approved. The alignment shown on the Concept Plan may be located within said envelope without requiring a zoning concept plan amendment or proffer amendment. If the Board of Supervisors approves the creation of a CDA to finance construction of Pacific Boulevard, and VDOT and/or the County have not approved the final alignment of the off-site portion of Pacific Boulevard in connection with the review and approval of the requisite Pacific Boulevard right-of-way or construction plans, the CDA shall, at the time required by the terms of these Proffers, deposit with the County the necessary funds for the construction of that segment of Pacific Boulevard in the alignment shown on the Concept Plan, with such funds to be held by the County and used only for the Owner's future construction of that segment of Pacific Boulevard once the final alignment is determined. Any interest that accrues on such funds shall likewise be held and used only for the construction of that segment of Pacific Boulevard. Any portion of such funds or accrued interest that is not used for the construction of Pacific Boulevard, if any, shall be returned to the CDA.

C. Construction of Public Roads ~~With~~with a CDA.

In the event the Board of Supervisors creates for the Property**, excluding the five (5) acre public use site described in Proffer VI.A.,** a CDA pursuant to § 15.2-5152 et seq., Code of Virginia (1950), as amended, and subject to Proffer III.B. above, the Owner shall dedicate right-of-way to the County and/or to VDOT, if and as necessary for the ultimate configuration of the following road and transportation improvements and, with the funding to be provided by such CDA, shall construct, bond for construction or cause to be constructed the following road

and transportation improvements, within three (3) years of the date the CDA is created by the Board, with reasonable extensions to be granted **by the Board** should market conditions not permit issuance of CDA bonds at a ~~reasonable~~ rate of interest **that is within one percent (1%) of the average issuance rate for other CDAs in Virginia**:

1. Gloucester Parkway. The extension of Gloucester Parkway as shown on the Concept Plan from the planned terminus of the Route 28/Gloucester Parkway interchange project, across the Property and Broad Run, and, subject to the provision of off-site right-of-way by others, to Loudoun County Parkway. Such extension of Gloucester Parkway shall be a full section of a four (4) lane median divided highway and shall include the bridge and appurtenances required to cross Broad Run with such four (4) lane section and a ten (10) foot wide multi-purpose trail inside the right-of-way on the north side of such extension of Gloucester Parkway. The Owner shall dedicate right-of-way on the Property for Gloucester Parkway 120 feet in width to accommodate an ultimate 6 lane median divided section. The Owner shall construct the four (4) lanes required by this Proffer as the outer lanes of the ultimate planned six (6) lane median divided road section for Gloucester Parkway.

2. Pacific Boulevard. The extension of Pacific Boulevard as shown on the Concept Plan from the southern Property boundary across the Property and Broad Run, and subject to the provision of off-site right-of-way by others, to the current terminus of Russell Branch Parkway within the Pacific Boulevard Envelope. Such extension of Pacific Boulevard to Russell Branch Parkway shall be a full section of a four (4) lane divided highway and shall include the bridge and appurtenances required to cross Broad Run with such four (4) lane section and a ten (10) foot wide multi-purpose trail on the west side of such extension of Pacific Boulevard; provided the Owner/CDA shall not be responsible for any portions of the four (4) lane section which have been or are committed to be constructed by others. In addition, the Owner shall, subject to VDOT approval, re-stripe Pacific Boulevard, within existing right-of-way, between the southern Property boundary and Severn Way as a four (4) lane undivided road.

On or before the date that is 60 days from the date of final approval of this rezoning application (ZMAP 2008-0021), the Owner shall petition the Board of Supervisors to create a CDA for the purpose of financing construction of at least the road and transportation improvements identified in this Proffer III.C. The Owner shall include all of the Property**, except the five (5) acre public use site described in Proffer VI.A., with any property to be included from the PD-IP Portion,** in the petition to create such CDA. The Owner shall be permitted to coordinate the timing and implementation of construction of the road and transportation improvements identified in this Proffer III.C. with other construction projects by others, provided such road and transportation improvements identified in this Proffer III.C. are constructed or bonded for construction within three (3) years of the date the CDA is created by the Board, with reasonable extensions to be granted should market conditions not permit issuance of CDA bonds at a reasonable rate of interest. Nothing provided in this Proffer shall prevent the Owner from obtaining any land use approvals (including, without limitation, site

plan, subdivision, construction plans and profiles and grading permit) for the Property, nor from commencing construction on the Property, during the design and construction of the road and transportation improvements identified in this Proffer III.C. In the event the CDA is created to finance construction of the roads identified in this Proffer III.C., the Owner shall be allowed to develop any uses permitted on the Property without regard to the provisions of Proffer III.D. below, as long as (i) such uses are consistent with the linkage limitations outlined in Proffer I.F., and (ii) the Owner provides the necessary intersection improvements to connect the private streets to Pacific Boulevard as shown on the Concept Plan. In the event the necessary right-of-way for the off-site portions of Gloucester Parkway and/or Pacific Boulevard have not been dedicated to VDOT and/or the County and have not otherwise been acquired by VDOT and/or the County, within 12 months of the date the CDA is created, the Owner's and/or the CDA's obligations with respect to construction of the off-site portions of the respective road for which the right-of-way is needed shall be deferred until such time as the right-of-way is acquired, and the Owner shall be permitted to pursue development of the Property notwithstanding that such portion of the road is not constructed. The CDA shall be responsible for maintenance of the segments of road constructed with CDA funding until such time as such segments of road are accepted into the VDOT system for maintenance.

D. Construction of Public Roads ~~Without~~without a CDA.

If the Board of Supervisors does not create a CDA for the Property to fund the road and transportation improvements described in Proffer III.C. and/or if the Owner desires to proceed with development of the Property prior to or without CDA financing, the Owner shall construct or bond for construction road and transportation improvements in accordance with the transportation construction schedule described in **Exhibit I** to this Proffer Statement, as more specifically described below, which includes within the non-residential use benchmarks all non-residential uses constructed both on the Property and on the PD-IP Portion:

1. Uses In Land Bay Q. Unless already constructed by the Owner or others, prior to the first site plan approval for construction of any use in Land Bay Q, the Owner shall dedicate the necessary right-of-way for and construct or bond for construction the following road and transportation improvements:

a. Pacific Boulevard: Dedicate right-of-way for the ultimate configuration of this roadway on the Property as a four (4) lane divided road, and construct the two (2) additional lanes of Pacific Boulevard from the southern Property boundary to Gloucester Parkway as shown on the Concept Plan and in accordance with VDOT standards, together with deceleration, acceleration and turn lanes and appropriate transitions to the undivided section of Pacific Boulevard to the south of the Property as required by VDOT. In addition, the Owner shall, subject to VDOT approval, re-stripe Pacific Boulevard, within the existing right-of-way,

between the southern Property boundary and Severn Way as a four (4) lane undivided road.

b. Multi-Purpose Trail – Pacific Boulevard: To the extent not located within the public right-of-way, dedicate a 14-foot wide on-site public access easement in the setback area along the west side of Pacific Boulevard, and construct a 10-foot wide multi-purpose trail on the Property within the public right-of-way and/or within such public access easement along the portion of Pacific Boulevard constructed pursuant to the preceding paragraph. Maintenance of any portion of said multi-purpose trail located outside of the public right-of-way shall be provided by the Owner and/or Owners Association. This trail shall be located generally as shown on Sheets 15 and 16 of the Concept Plan.

Such improvements shall be completed and available for public use, although not necessarily accepted by VDOT, prior to issuance of the first occupancy permit for a use constructed pursuant to such first site plan approval for Land Bay Q.

2. Transportation Improvements for Transportation Phase 1A, defined as development of the initial uses of the Property and the PD-IP Portion, excluding Land Bay Q, up to and including 300,000 square feet of non-residential uses (which may include up to 150,000 square feet of hotel use) and 300 residential dwelling units. Prior to the first record plat or site plan approval, whichever is first in time, for construction of any use on the Property, excluding Land Bay Q, unless already constructed or installed by others, the Owner shall dedicate the necessary right-of-way for and construct or bond for construction the following road and transportation improvements:

a. Pacific Boulevard: Dedicate right-of-way for the ultimate configuration of this roadway as a four (4) lane divided road, and construct Pacific Boulevard, except any portion already constructed or proffered to be constructed by others, from its intersection with Gloucester Parkway as shown on the Concept Plan northward to a point sufficient to provide access to the portion of the Property proposed for such uses. Such portion of Pacific Boulevard on the Property shall consist of a half-section of the ultimate four (4) lane divided road, as such four (4) lane divided road is depicted on the Concept Plan and in accordance with VDOT standards, together with deceleration, acceleration and turn lanes.

b. Multi-Purpose Trail – Pacific Boulevard: To the extent not located within the public right-of-way, dedicate a 14-foot wide on-site public access easement in the setback area along the west side of Pacific Boulevard, and construct a 10-foot wide multi-purpose trail on the

Property within the public right-of-way and/or within such public access easement along the portion of Pacific Boulevard constructed pursuant to the preceding paragraph D.2.a. to serve the portion of the Property proposed for such use. Maintenance of any portion of said multi-purpose trail located outside of the public right-of-way shall be provided by the Owner and/or Owners Association. This trail shall be located generally as shown on Sheets 15 and 16 of the Concept Plan.

Such improvements shall be completed and available for public use, although not necessarily accepted by VDOT, prior to issuance of the first occupancy permit for a use constructed pursuant to such first site plan approval for uses in Transportation Phase 1A.

3. Transportation Improvements for Transportation Phase 1B, defined as development up to and including 1,145,000 square feet of non-residential uses (which may include up to 150,000 square feet of hotel use) and 796 residential dwelling units on the Property and the PD-IP Portion, excluding Land Bay Q. Prior to issuance of the zoning permit for the 300,001st square foot of non-residential uses (inclusive of any hotel uses constructed in Transportation Phase 1A) or the 301st residential dwelling unit, whichever is first in time, and unless already constructed or installed by others, the Owner shall dedicate the necessary right-of-way for and construct or bond for construction the following road and transportation improvements:

a. Pacific Boulevard: Dedicate right-of-way for the ultimate configuration of this roadway as a four (4) lane divided road and construct Pacific Boulevard, except any portion already constructed or proffered to be constructed by others, from its current terminus at the southern Property boundary across the Property, as a four (4) lane divided road northward, to the proposed intersection of Pacific Boulevard and Road 1 between Land Bays F and B, as illustrated on Sheet 11 of the Concept Plan and in accordance with VDOT standards, together with deceleration, acceleration and turn lanes at the intersections with the roads that provide access to the land bays along Pacific Boulevard, as required by VDOT. In addition, traffic signals shall be provided at all of the intersections with roads that provide access to land bays along Pacific Boulevard, if warranted by VDOT. Warrant studies shall be submitted to VDOT and the County with the submission of the construction plans and profiles for such roads that provide access to the land bays along Pacific Boulevard. If any of the traffic signals proffered in Proffer III.D.2.a. or in this Proffer III.D.3.a. are not yet warranted at the beginning of Transportation Phase 2A, then the obligation to provide such signals shall be deferred to the beginning of Transportation Phase 2B if warranted by VDOT at that time.

b. Multi-Purpose Trail – Pacific Boulevard: To the extent not located within the public right-of-way, dedicate a 14-foot wide on-site public access easement in the setback area along the west side of Pacific Boulevard, and construct a 10-foot wide multi-purpose trail on the Property within the public right-of-way and/or within such public access easement along the portion of Pacific Boulevard constructed pursuant to the preceding paragraph. Maintenance of any portion of said multi-purpose trail located outside of the public right-of-way shall be provided by the Owner and/or Owners Association. This trail shall be located generally as shown on Sheets 15 and 16 of the Concept Plan.

c. Gloucester/Pacific Intersection: In the event such signalization has not been provided by others or in prior phases of this development, the Owner shall install a traffic signal at the Gloucester/Pacific intersection, subject to review and approval of a traffic signal warrant study submitted to VDOT. The traffic signal and intersection layout will be designed to VDOT standards and to accommodate the ultimate four-way intersection at such time as Gloucester Parkway is extended to the west. If the traffic signal is not warranted at the beginning of this Transportation Phase 2A, then the obligation to provide such signal shall be deferred to the beginning of Transportation Phase 2 if warranted by VDOT at that time.

Such improvements shall be completed and available for public use, although not necessarily accepted by VDOT, prior to issuance of the first occupancy permit for a use constructed pursuant to such first site plan approval for uses in Transportation Phase 1B.

4. Transportation Improvements for Transportation Phase 2, defined as development up to and including 2,400,000 square feet of non-residential uses (which may include up to 475,000 square feet of hotel uses) and 1,400 residential dwelling units on the Property and the PD-IP Portion. Prior to issuance of the zoning permit for the 1,145,001st square foot of non-residential uses, or the 797th residential dwelling unit, whichever is first in time, and unless already constructed or installed by others, the Owner shall dedicate the necessary right-of-way for and construct or bond for construction the following road and transportation improvements:

a. Pacific Boulevard: Dedicate right-of-way for the ultimate configuration of this roadway as a four (4) lane divided road and construct Pacific Boulevard, except any portion already constructed or proffered to be constructed by others, from its then current northerly terminus across the Property within the Pacific Boulevard Envelope as shown on Sheets 11 and 13 of the Concept Plan, including the construction of a bridge across Broad Run, and, subject to right-of-way being provided by others, connecting to the eastern terminus of Russell

Branch Parkway.. Such road construction shall be a four (4) lane divided roadway and shall be constructed within the Pacific Boulevard Envelope as shown on the Concept Plan and in accordance with VDOT standards, together with deceleration, acceleration and turn lanes at the intersections with the roads that provide access to the land bays along Pacific Boulevard, as required by VDOT. In addition, traffic signals shall be provided at all of the intersections with roads that provide access to land bays along Pacific Boulevard, if warranted by VDOT. Warrant studies shall be submitted to VDOT and the County with the submission of the construction plans and profiles for such roads that provide access to the land bays along Pacific Boulevard. If any of the traffic signals proffered in the foregoing proffers and deferred to the beginning of this Transportation Phase 2 or proffered in this Proffer III.D.4.a. are not yet warranted at the beginning of this Transportation Phase 2, then the obligation to provide such signals shall be deferred to the beginning of Transportation Phase 3, if warranted by VDOT at that time.

b. Multi-Purpose Trail – Pacific Boulevard: To the extent not located within the public right-of-way, dedicate a 14-foot wide on-site public access easement in the setback area along the west side of Pacific Boulevard, and construct a 10-foot wide multi-purpose trail on the Property within the public right-of-way and/or within such public access easement along the portion of Pacific Boulevard constructed pursuant to the preceding paragraph. Maintenance of any portion of said multi-purpose trail located outside of the public right-of-way shall be provided by the Owner and/or Owners Association. This trail shall be located generally as shown on Sheets 15 and 16 of the Concept Plan.

c. Gloucester/Pacific Intersection: In the event such signalization has not been provided by others or in prior phases of this development, the Owner shall install a traffic signal at the Gloucester/Pacific intersection, subject to review and approval of a traffic signal warrant study submitted to VDOT. The traffic signal and intersection layout shall be designed to VDOT standards and to accommodate the ultimate four-way intersection at such time as Gloucester Parkway is extended to the west. If the traffic signal is not warranted at the beginning of this Transportation Phase 2, then the obligation to provide such signal shall be deferred to the beginning of Transportation Phase 3 if warranted by VDOT at that time.

Such improvements shall be completed and available for public use, although not necessarily accepted by VDOT, prior to issuance of the first occupancy permit for a use constructed pursuant to such first site plan approval for uses in Transportation Phase 2.

5. Transportation Improvements for Transportation Phase 3, defined as development to full build-out. Prior to issuance of the zoning permit for the 2,400,001st square foot of non-residential uses **on the Property and the PD-IP Portion,** and unless already constructed or installed by others, the Owner shall dedicate the necessary right-of-way for and construct or bond for construction the following road and transportation improvements:

a. Gloucester Parkway: Dedicate right-of-way, if and as necessary, for the ultimate configuration of this roadway as a six (6) lane median divided road and construct an extension of Gloucester Parkway, except any portion already constructed or proffered to be constructed by others, from Pacific Boulevard across the Property, including the construction of a bridge across Broad Run, as shown on Sheets 8, 9 and 13 of the Concept Plan, and, subject to right-of-way being provided by others, connecting to Loudoun County Parkway. Such road extension shall be a four (4) lane median divided roadway and shall be constructed, as illustrated on the Concept Plan and in accordance with VDOT standards, together with deceleration, acceleration and turn lanes as required by VDOT.

b. Multi-Purpose Trail – Gloucester Parkway: To the extent not located within the public right-of-way, dedicate a 14-foot wide on-site public access easement in the setback area along the north side of Gloucester Parkway, and construct a 10-foot wide multi-purpose trail within the public right-of-way and/or within such public access easement and along the portion of Gloucester Parkway constructed pursuant to the preceding paragraph, which shall connect to the multi-purpose trail located on the west side of Pacific Boulevard.

c. Gloucester/Pacific Intersection: In the event signalization has not been provided by others or in prior phases of this development, the Owner shall install a traffic signal at the Gloucester/Pacific intersection, subject to review and approval of a traffic signal warrant study submitted to VDOT. The traffic signal shall be designed to VDOT standards and to accommodate the four-way intersection designed and constructed in accordance with paragraph 6.a. above. The warrant study shall be submitted to VDOT and the County with the first site plan submitted to the County for development in Transportation Phase 3.

Such improvements shall be completed and available for public use, although not necessarily accepted by VDOT, prior to issuance of the first occupancy permit for a use constructed pursuant to such first site plan approval for uses in Transportation Phase 3.

E. Acquisition of Off-Site Right-of-Way/Easements.

1. In addition to dedicating right-of-way and easements on the Property as provided in the foregoing Proffer III.D., the Owner shall make a good faith effort to acquire off-site rights-of-way and/or easements necessary for the construction of the off-site portions of Pacific Boulevard and Gloucester Parkway as proffered herein. Where, despite such good faith efforts, right-of-way and/or easements necessary for construction of any such off-site portions of Pacific Boulevard and/or Gloucester Parkway cannot be obtained either (i) voluntarily through donation or proffer to the County, or (ii) through purchase by the Owner at a fair market value price, the Owner shall request VDOT and/or the County to acquire such right-of-way and/or easements by appropriate eminent domain proceedings by VDOT and/or the County, with all costs associated with any such eminent domain proceedings to be borne by the Owner, including but not limited to, land acquisition costs and appraisal fees. The initiation of such eminent domain proceedings is solely within the discretion of VDOT and/or the County. It is understood that the County, in its sole discretion, will seek to obtain the off-site right-of-way for both the extension of Pacific Boulevard and the extension of Gloucester Parkway, in conjunction with County approvals of land use applications for the properties across which such extensions are herein proffered to be constructed. The Owner shall not be required to pay any amounts for such right-of-way acquisition to the extent the County obtains such right-of-way as a condition of County approvals of land use applications.

2. If the necessary right-of-way and/or easements cannot be acquired either (i) voluntarily through donation or proffer to the County, or (ii) through purchase by the Owner at a fair market value price, and the County and VDOT both choose not to exercise the right of eminent domain within six (6) months of a written request by the Owner, the Owner shall be released from the obligation to acquire such right-of-way. If the County and/or VDOT elect to defer its exercise of eminent domain, then the Owner's Proffer requiring such acquisition or construction shall likewise be deferred.

3. Notwithstanding the commitments in Proffer III.D. above, the Owner shall not be prevented from obtaining any land use approvals (including, without limitation, site plan, subdivision, construction plans and profiles, grading permit, zoning permit, building permit, and occupancy permit) for the Property, nor from commencing construction on the Property, during the pendency of any eminent domain proceedings initiated pursuant to this Proffer III.E., nor any deferral of the County's and/or VDOT's exercise of eminent domain pursuant to Proffer III.E.2. above, provided that all other prerequisites for obtaining such approvals and commencing such construction provided in these Proffers have been met.

F. Traffic Signalization.

When required by the phasing provisions set forth in Proffer III.D. above, the Owner shall prepare a signal warrant analysis for the installation of the traffic signals identified in each respective Transportation Phase for the five (5) Pacific Boulevard intersections on the Property (Pacific Boulevard with Gloucester Parkway, four (4) private road intersections shown on the Concept Plan). Pursuant to each said signal warrant analysis, and if warranted by VDOT, the Owner shall design and install traffic signalization at the respective intersections when required by the said Transportation Phasing schedule above. In the event a signal has not been warranted by VDOT when the Owner desires to proceed with the respective phase of development on the Property, the obligation to design and install such signal shall be deferred to the beginning of the next Transportation Phase of development on the Property. In the event a signal proffered above has not been warranted at the beginning of Transportation Phase 3 of development on the Property, the Owner shall make a cash contribution to the County for the cost of the design and installation of such traffic signal. Such cash contribution shall be made prior to issuance of the first zoning permit for a use in Transportation Phase 3 of the development. The amount of the cash contribution shall be approved by the County based upon an estimate provided to the County by a licensed professional engineer; however, in no case shall the contribution be required to exceed Three Hundred Thousand and 00/100 Dollars ($300,000.00) for each traffic signal. This maximum limit on said contributions shall escalate in accordance with the CPI from a base year of 2010 (see Proffer VIII.C.).

G. Cash Equivalent Contribution.

Unless otherwise provided in these Proffers or unless such improvements are provided in cooperation with others by private agreement or pursuant to the commitments of other zoning applications, the Owner agrees that, in the event any of the transportation improvements described above in Proffer III.D., except (i) the Broad Run bridge crossings and off-site extensions of Gloucester Parkway and Pacific Boulevard, and (ii) the portions of Pacific Boulevard and Gloucester Parkway constructed by VDOT with the construction of the Route 28/Nokes Boulevard/Gloucester Parkway interchange or in association with SPEX 2008-0054, are constructed or bonded for construction by others prior to bonding for construction by the Owner, the Owner shall contribute to the County or its designee, for each such improvement provided by others, an amount equal to the cost of constructing such transportation improvements described above in Proffer III.D. in lieu of actual construction of each such improvement provided by others. For the purposes of determining the in-lieu-of contribution for the improvements constructed or bonded for construction by others, (i) the actual cost of constructing and completing such improvements will be used if available; if not, the amount of the approved bond estimate (defined for this purpose as the estimated construction cost of all items shown upon the bonded, approved plans for such improvement, increased by an inflation factor equal to the annual percentage change in the Construction Index Code, as published weekly in the Engineering News Record) for such improvement will be used, and (ii) construction costs shall be deemed to include all engineering, surveying, bonding, permit fees, utility relocation, and other hard costs of construction based on paid invoices. Such contribution

in lieu of actual construction shall be paid at the time the Owner would otherwise have been required by these Proffers to bond or construct such improvements. As determined by the County, such contributions shall either be used to reimburse the party or parties who constructed such improvements, or for regional roadway or transportation improvements in the vicinity of the Property.

H. Highway Noise Mitigation.

Concurrently with the filing of the first site plan or construction plans and profiles for the Property, whichever is first in time, the Owner shall submit an acoustical analysis for the Property to determine which areas of the Property may be adversely impacted by highway noise generated along (i) the Route 28 (Sully Road)/Pacific Boulevard frontage, and (ii) the Gloucester Parkway frontage. Any such acoustical analysis shall be based upon the most recent traffic volumes and ultimate design speeds of Route 28, Pacific Boulevard and Gloucester Parkway, as made available by the Loudoun County Office of Transportation Services ("OTS"). With each subsequent site plan for development on the Property, the Owner shall demonstrate compliance with the aforementioned acoustical analysis with the goal of mitigating noise levels that approach within two (2) decibels or exceed the Noise Abatement Criteria identified in the Countywide Transportation Plan for noise sensitive uses on the Property. Compliance with the acoustical analysis shall demonstrate the methods that shall be incorporated into the site and building design in order to achieve noise reductions that result in noise levels at least two (2) decibels less than the Noise Abatement Criteria identified in the Countywide Transportation Plan, with preference given to passive measures, such as landscaping and berming, to the extent practicable.

I. Bus Shelters.

Within six (6) months of the date of commencement of public bus service to the Property, the Owner shall construct two (2) bus shelters on the Property along Pacific Boulevard. Said bus shelters shall be in addition to those required in accordance with SPEX 2008-0054. The Owner shall coordinate the design and location of these bus shelters with OTS or other appropriate County agency. The commitment in this Proffer to construct bus shelters shall terminate 20 years after issuance of the first zoning permit for an office or residential use on the Property, if no public bus service to the Property has been established during such 20 years; provided, however, that upon such termination, the Owner shall contribute to the County a cash contribution in the amount of the estimated cost of 2 bus shelters to be used by the County to construct such bus shelters in the future. The bus shelters shall be maintained by the Owners Association established pursuant to Proffer VII. The Owner shall coordinate the design and location of such bus shelters with OTS at the time of site plan review.

J. Transportation Demand Management Program.

Prior to issuance of the first zoning permit for an office or residential use on the Property, the Owner shall implement a Transportation Demand Management ("TDM") program whose objective is to reduce peak hour vehicle trips to and from the site. The means to achieve this objective over the build-out period for this site may vary from time to time as knowledge is gained about specific factors and as the area and region develop. Elements of this program shall include, but shall not necessarily be limited to, the following:

1. Identify an Employer Transportation Coordinator (ETC) for each employment or residential building to serve as the TDM contact with OTS. ETCs shall promote and encourage commuting alternatives in cooperation with other private and public TDM efforts or Transportation Management Associations. ETCs shall meet with OTS Staff to clarify commuting options to the site and develop promotions and programs in support of established TDM goals.

2. Conduct initial and biennial employee commute surveys of employees of employment buildings and residents of residential buildings to benchmark and measure progress toward the reduction of vehicle trips and vehicle emissions.

3. Provide a minimum of five percent (5%) of total parking spaces for each employment or residential building as preferred parking spaces for (a) carpool/vanpool vehicles, (b) fuel efficient vehicles, or (c) car sharing vehicles.

4. Promote flexible, compressed, or telework schedules for on-site employees and residents.

5. Support transit service by encouraging all employers to provide qualified transportation fringe benefits, as provided under Section 132(a) and (f) of the Internal Revenue Code.

6. Construct and maintain permanent public information displays in all employment or residential buildings for distribution of alternate commute information, including transit schedules, park-and-ride lot maps, rideshare programs and telework.

7. Install secure weather-protected bicycle storage facilities or bicycle racks to accommodate a minimum of 20 bicycles for each employment or residential building. Such bicycle storage facilities and/or bicycle racks shall be located in a convenient location for use by employees and/or residents and shall be installed prior to issuance of the occupancy permit for each respective building.

8. Provide accessible shower facilities in all employment buildings that are a minimum of 4 stories or 50 feet in height and containing greater than 100,000 square feet of non-residential uses.

9. Provide information on office employers' and residential buildings' intranet or internet sites detailing alternative modes of transportation and other travel reduction opportunities.

10. Submit to OTS biennial travel reduction plans outlining strategies for reducing vehicles trips to and from the Property during peak hours.

K. Transit Service Contribution.

At the time of issuance of each residential zoning permit for the Property, the Owner shall make a one-time cash contribution to the County in the amount of Five Hundred Seventy-Five and 00/100 Dollars ($575.00) for each of the market rate, non-ADU-Equivalent or non-Unmet Housing Needs, dwelling units developed on the Property. Such contributions shall be used, in the discretion of the Board of Supervisors, to fund capital equipment for transit services that serve the Property. Said contributions shall be escalated in accordance with the changes in the CPI from a base year of 2010 (see Proffer VIII.C.).

L. Kincora Shuttle.

Upon issuance of zoning permits for greater than 1,500,000 square foot of non-residential, non-hotel uses (which threshold shall include the non-residential uses constructed on the PD-IP Portion) and if there is adequate demand as determined by OTS, the Owner shall provide a private shuttle service during regular business hours utilizing vehicles with a minimum capacity of 20 persons for the transport of employees and residents between the uses on the Property with the intent of (i) connecting those non-residential uses located in Land Bays N and Q with the remaining uses on the Property, and (ii) connecting the uses on the Property with the Dulles Town Center. In addition, until such time as regional transit service is available to the site, the Owner shall provide such shuttle service to the nearest park-and-ride facility or regional transit facility and to destinations within the vicinity such as the Dulles Town Center. Shuttle service shall be subject to route revisions as determined by the Owner in consultation with OTS.

M. Fund to Accelerate Construction of Gloucester Parkway without a CDA.

If within one (1) year of the approval of this rezoning ZMAP 2008-0021, the Board of Supervisors has not created a CDA for the Property to fund the road and transportation improvements described in Proffer III.C., then the Owner shall make a cash contribution to the County in the amount of $23,758.00 for each market rate dwelling unit (i.e., not for Unmet Housing Needs Units and ADU- Equivalent Units), exclusive of the 300 units permitted with construction of the recreational facility/baseball stadium.

Such contributions shall be paid at the time of issuance of the zoning permit for each such market rate residential dwelling unit constructed on the Property. The County shall collect and hold such contributions in a separate interest-bearing account (the

"Gloucester Parkway Fund") to be used solely for construction of the extension of Gloucester Parkway described in Proffer III.C. At such time as (i) the County desires to accelerate the construction of Gloucester Parkway by supplementing the funds accumulated in the Gloucester Parkway Fund with other available sources of funding that together will cover the entire cost of such extension of Gloucester Parkway, or (ii) the Owner intends to proceed with the construction of Gloucester Parkway in accordance with Proffer III.C. (should a CDA be created in the future) or in accordance with Proffer III.D., then all of the funds accumulated in the Gloucester Parkway Fund, with any accrued interest, shall be used to fund the construction of such extension of Gloucester Parkway. The cash contributions proffered in this paragraph shall be adjusted annually in accordance with changes to the CPI (see Proffer VIII.C.). Any funds remaining in the Gloucester Parkway Fund after all expenses of designing and constructing the extension of Gloucester Parkway have been paid, shall be used by the County for regional road and/or transit improvements in the vicinity of the Property.

IV. RECREATION AND HISTORIC

A. Recreation.

1. The Owner shall construct a bicycle and pedestrian circulation system consisting of sidewalks and trails on the Property in substantially the same location as illustrated on Sheets 15 and 16 of the Concept Plan. Sidewalks need not be constructed in locations where asphalt trails are constructed to provide the pedestrian circulation linkage depicted on Sheets 15 and 16 of the Concept Plan. Sidewalks shall be constructed on both sides of Roads 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12 as depicted on Sheet 16 of the Concept Plan and shall include conveyance of appropriate public access easements. Sidewalks and trails shall be constructed in phases concurrently with the development of land in areas adjacent to such sidewalks and trails.

Unless constructed in the public right-of-way, sidewalks shall be subject to a public access easement of a minimum of 10 feet in width, asphalt trails shall be subject to a public access easement of a minimum of 14 feet in width, and all other trails shall be subject to a public access easement of a minimum of 12 feet in width.

Trails constructed within the River and Stream Corridor Resource area shall be constructed of pervious surfaces in an amount not to exceed 15,180 linear feet, and with raised boardwalk crossings in an amount not to exceed 1,124 linear feet where such trails cross jurisdictional waters and/or wetlands as depicted in the section exhibits provided on Sheets 15 and 16 of the Concept Plan. The Owner shall coordinate for approval the location and design of trails per Parks, Recreation and Community Services ("PRCS") standards located within the River and Stream Corridor Resource area with PRCS Staff prior to approval of the initial site plan and/or construction plan and profiles for any trails to be located within the River and Stream Corridor Resource area. Coordination with PRCS Staff shall not result in the construction of trails in an amount greater than provided above, and subject to siting of trails in a manner that

does not disrupt proffered stream and wetland mitigation and/or riparian preservation or reforestation activities. Trails constructed outside of the River and Stream Corridor Resource shall be constructed of asphalt and/or such pervious surfaces, boardwalks and raised walkways as may be permitted, in accordance with the applicable provisions of the FSM. Unless a different minimum width is established for a specific trail elsewhere in these Proffers, asphalt trails shall be a minimum width of 10 feet. All other trails shall be a minimum width of eight (8) feet. Sidewalks shall be constructed of concrete, brick, concrete or brick pavers, marble or other material typically used for sidewalks in office parks and mixed-use centers, in accordance with the Design Guidelines and applicable provisions of the FSM, and shall be a minimum width of five (5) feet for private sidewalks in residential areas, a minimum width of six (6) feet for private sidewalks in commercial areas, and, subject to VDOT approval, a minimum width of five (5) feet for public sidewalks. In any event, sidewalks constructed within public right-of-way shall be designed and constructed in accordance with VDOT regulations.

2. The Owner shall reserve at least 15 parking spaces near each trail head location as shown on the Concept Plan. Such spaces shall be provided with appropriate signage indicating that such spaces are reserved for use by PRCS park patrons. The Owner shall coordinate for approval the ultimate location, design and signage for each trailhead feature with PRCS Staff prior to approval of the initial site plan and/or construction plan and profiles for any trails to be located within the River and Stream Corridor Resource area.

3. As each portion of the Property receives record plat approval or site plan approval, whichever is first in time, the Owner shall develop and dedicate to the Owners Association provided in Proffer VII., the SWM/BMP ponds, the trails, civic spaces and open space areas identified in such portion, all as illustrated on the Concept Plan. The declaration of covenants, conditions and restrictions recorded against the Property (the "OA Covenants") shall require the establishment of maintenance procedures and sufficient funding so that the Owners Association will have the financial ability to maintain such facilities and open space areas in a decent, clean, safe and healthy condition for use by residents of the Property. The Owner shall provide for the Owners Association to enter into appropriate stormwater maintenance agreements, in accordance with Chapter 1096 Stormwater Management of the Codified Ordinances of Loudoun County, with respect to all applicable stormwater management facilities.

4. The Owner shall provide wayfinding signage for the trails and trailhead locations which shall be coordinated with other sign programs for the Property. This may include, but not be limited to, trail markers and interpretive signage within the floodplain park and for connections to the Potomac Heritage National Scenic Trail, and wayfinding signage along Route 28, Route 7, and Pacific Boulevard. Such wayfinding signage shall be coordinated for approval with PRCS Staff.

B. Trail Wayside/Natural Area Observation Platform.

Concurrently with construction of the trails within the floodplain area within the 1,400 foot Rookery Radius as depicted on the Concept Plan, the Owner shall construct a trail wayside/natural area observation platform of not less than 400 square feet from which users of the trail can view the heron rookery. Such trail wayside/natural area observation platform shall be a component of the trail system referenced in Proffer IV.A. and shall be maintained by the Owners Association, unless and until such time as the floodplain and/or the trail and observation platform are dedicated to the County. The location of such trail wayside/natural area observation platform shall be coordinated with PRCS Staff and located outside of the 700 foot Rookery Radius as depicted on the Concept Plan. If permitted by applicable law, the Owner shall install a pervious trail connection from Land Bay C to the observation platform.

C. Dedication of Floodplain Area and Trails.

Within six (6) months of the completion of all work associated with the construction and certification by the Army Corps of Engineers and/or the Virginia Department of Environmental Quality, of any wetlands mitigation and/or wetlands mitigation banking areas the Owner develops on the Property within the Broad Run floodplain, the Owner shall dedicate to the County the approximately 162.11-acre River and Stream Corridor Resources for Broad Run located west of Pacific Boulevard shown as "'Natural' Open Space within RSCOD" on Sheets 36 and 37 of the Concept Plan, at no public cost, for use as a natural area for public passive park purposes. Prior to such dedication, a) all trails located west of Pacific Boulevard and within the major floodplain for Broad Run as depicted on the Concept Plan shall be subject to public access easements to permit use by the public and responsibility for maintenance of such trails shall be imposed upon the Owners Association pursuant to the Owners Association Covenants (the "OA Covenants"), b) the Owners Association and/or the Owner shall conduct a walk-through with PRCS Staff to inspect the condition of such trails. Any trails examined during this walk-through that are in a state of disrepair shall be restored to an acceptable level of service by the Owners Association and/or the Owner prior to dedication, (c) the Owners Association and/or the Owner shall provide written notice to the Director of the Department of Parks, Recreation and Community Services prior to the commencement of any phase of activities associated with stream and wetland mitigation, riparian preservation or reforestation or trail construction within the area labeled as "'Natural' Open Space within RSCOD" on Sheets 36 and 37 of the Concept Plan, and d) the Owners Association and/or the Owner will provide an annual report of the condition status of trails constructed within the area labeled as "'Natural' Open Space within RSCOD" on Sheets 36 and 37 of the Concept Plan to the PRCS Chief Park Planner, concurrent with the submission of the Annual Mitigation and Monitoring Report for Success Criteria (see Proffer II.D.). In the event the County desires dedication of the wetlands mitigation and/or wetlands mitigation banking areas prior to the certification by the Army Corps of Engineers and/or the Virginia Department of Environmental Quality, the Owner shall dedicate to the County such areas within six (6) months of a request by the County; provided the Owner retains (i) ownership of all wetlands mitigation banking credits and the County assumes responsibility for maintenance of such wetlands mitigation areas until such areas are certified as completed by

the Army Corps of Engineers and/or the Virginia Department of Environmental Quality, and (ii) the right to use and maintain, as may be required by these Proffers, all trails in such dedication area.

D. Broad Run Toll House.

At such time as the Owner is obligated under this Proffer Statement to construct the extension of Pacific Boulevard across Broad Run and connecting to Russell Branch Parkway, and if such extension of Pacific Boulevard impacts the Broad Run Toll House property (PIN # 040-39-8734), any such disturbance to the Broad Run Toll House property, excluding the Broad Run Toll House structure and bridge remnants, shall be permitted subject to conformance with applicable state and federal requirements and commencement of proceedings in accordance with Section 106 of the National Historic Preservation Act of 1966, if deemed necessary, by a qualified professional.

Within six (6) months of the approval of this rezoning ZMAP 2008-0021, the Owner shall use its good faith and diligent efforts to complete the acquisition of the adjacent Broad Run Toll House parcel (Loudoun County GPIN # 040-39-8734) (the "Toll House Parcel") pursuant to an existing purchase agreement the Owner has entered into with the current owner of the Toll House Parcel. Within thirty (30) days of acquiring the Toll House Parcel, the Owner shall dedicate, without compensation to the Owner, the Toll House Parcel to the County or, at the County's direction, to a 501(c)(3) non-profit organization. The Owner's obligation to acquire the Toll House Parcel is subject to the ability of the current owner of the Toll House Parcel to convey good and marketable title. The Owner's obligation to dedicate the Toll House Parcel is subject to the Owner's right to reserve right-of-way and easements for utilities, trails and the extension of Pacific Boulevard over the portion of the Toll House Parcel that is not occupied by the Toll House structure or bridge ruins. The Owner may accomplish this dedication to the County or donation to a 501(c)(3) non-profit organization designated by the County through a direct conveyance from the current owner of the Toll House Parcel to the County of such 501(c)(3) non-profit organization as long as such direct conveyance is completed at no cost to the County or to such 501(c)(3) non-profit organization.

V. DESIGN

A. Design Guidelines and Architectural Review.

The Property shall be developed as a unified community consistent with the Design Guidelines entitled "Kincora Design Standards," prepared by CMSS Architects, P.C. of Reston, Virginia, dated April 15, 2010 and attached to this Proffer Statement as **Exhibit D**. In instances where the Design Guidelines conflict with any provisions proffered herein, these Proffers shall supersede the Design Guidelines. The Design Guidelines depict the architecture, landscaping, plaza lighting, signage and open space design requirements for the Property and shall be made

applicable to the Property through the OA Covenants which shall be recorded prior to the first site plan approval or recordation of the first record plat, whichever occurs first. The Owner shall require the Owners Association created pursuant to Proffer VII. to establish a Design Review Committee consisting of owners of all or portions of the Property, except for any portions of the Property dedicated to the County for public use. The Design Review Committee shall develop appropriate review procedures to ensure the Property is developed consistent with the Design Guidelines. The Owners Association shall establish the Design Review Committee within three (3) months of the creation of the Owners Association, and all subsequent site and building plans shall be reviewed by the Design Review Committee for consistency with the Design Guidelines.

Prior to creation of the Design Review Committee, consistency with the Design Guidelines will be enforced by Loudoun County and/or the Owner. Subsequent to creation of the Design Review Committee, a letter confirming Design Review Committee approval shall be included with all building permit plan applications submitted to Loudoun County for the Property. Notwithstanding the foregoing, the County shall continue to have the authority to require compliance with this Proffer V.A.

Compliance with the proffered design elements in this Proffer Statement shall be demonstrated at the time of final site plan review.

B. Boulevard Entrances.

Road 1 and Road 2, as identified on Sheets 11 and 16 of the Concept Plan, shall be designed and constructed, with landscaped medians eight (8) feet in width, to provide attractive boulevard entrances consistent with the cross-section shown on Sheet 18 of the Concept Plan; provided that such landscaping in the medians shall not obstruct necessary sight distances for traffic nor violate the clear zone requirements for Pacific Boulevard. A project identification feature comparable in size and quality to the Conceptual Entrance Feature design shown on Sheet 23 of the Concept Plan shall be provided at the entrance from Pacific Boulevard in the southeast corner of Land Bay J identified on Sheet 11 of the Concept Plan. Appropriate pedestrian crossings shall be provided across Road 1 and Road 2, at all controlled intersections consisting of either a traffic signal or 4-way stop sign.

C. Alleys.

Site plans shall depict the location of alleys that provide access to the interior of each land bay.

D. Demonstration of Square Footage Compliance.

With the filing of each site plan, the Owner shall provide a running tabulation which presents proposed and approved square footage both on the Property and on the PD-IP Portion as follows: (i) total overall site development within the Property and the PD-IP Portion; (ii) total

non-residential use by category proposed and residual amount available; (iii) total number of hotel rooms proposed and constructed; (iv) total non-residential use versus residential use; and (v) total amount of civic space. Such tabulation shall demonstrate compliance with the square footage limitations set forth in these Proffers and with the tabulation provided on Sheet 13 of the Concept Plan.

E. Screening of Internal Surface Parking Areas.

Surface parking areas, provided on a temporary or permanent basis, shall be screened from the internal private streets with landscaping and walls and/or other streetscape elements as shown on Sheet 17 of the Concept Plan and as modified by these Proffers. Such screening shall consist of materials of a comparable size and quality to the examples provided on Sheets 20 and 21 of the Concept Plan and in **Exhibit G**, for the purpose of buffering headlight glare and other visual impacts of surface parking.

F. Structured Parking.

At full build-out, at least fifty percent (50%) of the required parking spaces will be located within parking structures. Parking structures that may be visible from public view shall be treated with individual design elements that may include, but not be limited to, storefront appearance, false fenestration, glass, colored or stamped concrete panels, or any combination thereof, or other architectural treatment for the purpose of masking the parking structure and incorporating its exterior architectural design with that of surrounding buildings. In the event that areas planned for structured parking are used as surface parking areas prior to full build-out, those surface parking areas shall be screened as indicated in Proffer V.E. above.

G. Structured Parking Along Roads 2 and 6.

At full build-out, parking structures fronting on Roads 2 and 6 as identified on the Concept Plan shall include architectural treatment and/or liner buildings to enhance the facade as viewed from such roads. In addition, any parking structure located along Road 2 in Land Bay J shall incorporate architectural design and/or treatments, such as a negative corner in the corner nearest the Pacific Boulevard/Road 2 intersection, to soften the view of such parking structure at that entrance to the community.

H. Loading Docks/Dumpster Pads.

All refuse collection and loading areas on the Property shall be oriented so as to have minimum visibility from roads and residential uses. If such refuse collection and loading areas are not substantially blocked from view from roads and residential uses, they shall be treated with architectural elements similar to the principal structure, decorative fencing and/or landscaping so as to be screened from roads and residential uses.

I. **Rooftop Mechanical Units.**

Any mechanical units placed on the rooftops of buildings on the Property shall be screened by architectural features compatible with building facade architecture. Rooftop amenities such as garden terraces or recreational courts may also screen rooftop equipment.

J. **Building Entrances.**

Unless deemed unfeasible in order to comply with federal security guidelines, each building constructed on the Property shall be constructed with its principal entrance oriented towards the street on which it fronts. Any principal entrance not oriented towards the street on which it fronts shall be oriented towards an adjacent plaza, green, park, square or pedestrian passageway.

Pedestrian access shall be provided from parking areas to the principle entrances of all buildings constructed on the Property. The Owner shall ensure that each building can be accessed from adjacent parking areas via a demarcated pedestrian pathway.

K. **Streets, Streetscaping and Landscaping.**

1. Street Design. Streets will generally be designed and constructed in a rectilinear pattern of collector roads, local access roads, streets, and alleys, with streets generally terminating in other roads and streets. All private streets, sidewalks and trails shall be consistent with the typical road sections provided on Sheets 17, 18, and 19 of the Concept Plan; provided the Owner reserves the right to apply for and obtain approval of any waivers permitted by the Zoning Ordinance or the FSM as long as development of uses with such waivers shall be in substantial conformance with the Proffers. There shall be no more than two (2) curb cuts for vehicular entrances on each side of Road 2 and no more than one (1) curb cut for vehicular traffic on each side of Road 6 and Road 8. There shall be no curb cuts for vehicular traffic on either side of Road 9.

2. Street Trees. Street trees on the Property will be planted in accordance with County criteria or as modified by these Proffers, and the Owner shall utilize, to the maximum extent feasible, trees that develop an overhead leaf canopy along the streets.

3. Private Streets. As modified by these Proffers, all private streets developed on the Property shall be owned and maintained by the Owners Association with appropriate covenants, restrictions and assessments for maintenance, repair and replacement. Private streets design and construction shall be subject to County review and approval at the time of applicable subdivision and site plan approvals, and shall be designed and constructed in accordance with the standards of the FSM applicable at the time such private streets are submitted to the County for approval. Private streets shall be designed to be comparable in scale to buildings to which they relate so that they contribute to the sense of a well designed neighborhood.

4. Streetscape Plan. The Owner shall submit a streetscape plan for each land bay with the initial site plan submission in each respective land bay. The streetscape plans will conform with County requirements except that, in accordance with the Zoning Ordinance modifications approved herewith, such plans (i) shall include all landscape buffer plans for all buffer areas, and (ii) may provide for deciduous tree plantings (2 1/2" - 3.0" caliper) at an average of 44 feet on center where on-street parking is provided and 35 feet on center where on-street parking is not provided and as further provided on Sheets 24 and 25 of the Concept Plan. These trees may be clustered where appropriate. Landscaping along the public streets shall be provided at the time each lot along the street is developed and may be supplemented with landscaping in addition to what is required by the Zoning Ordinance, at the Owner's option.

5. Landscaping. Individual building and parking areas on the Property shall be landscaped in a manner that is coordinated, as to plant material, with the streetscape plan along the public streets. The landscaping within the parking areas will consist, primarily, of trees which provide shade or are capable of providing shade at maturity.

6. On-Street Parking. The Owner may provide some of the off-street parking spaces required by the Zoning Ordinance as on-street parking spaces within 400 feet of the subject principal use as permitted by the Zoning Ordinance. All on-street parking spaces shall be provided in accordance with the Zoning Ordinance and applicable VDOT and County standards.

7. Block Sizes. Any block longer than 400 feet shall contain a mid-block break, such as a plaza, pocket park, tot lot, village green, eating/picnic area, seating area, substantial hotel entrance plaza, or other outdoor gathering space.

L. Lighting.

Lighting on the Property shall be designed and constructed to minimize light trespass, specifically:

1. Spillover light onto adjacent properties shall not exceed one quarter foot-candle.

2. All exterior light fixtures shall be "full cut-off outdoor lighting fixtures" as defined by the Illuminating Engineering Society of North America (IESNA). Light shall be directed inward and downward toward the interior of the Property, away from public streets (except street lights) and the nearby residential properties.

3. Except for street and parking lot lights installed in accordance with applicable provisions of the FSM, the maximum height of any freestanding exterior lighting fixtures shall be 18 feet. Height shall be measured from the ground surface to the bottom of the lighting fixture.

M. Specific Land Bay Design Obligations.

1. Building Setbacks. Buildings shall be located with a maximum front yard set back of 25 feet from the adjacent road, as measured from the front of the curb for Roads 1, 3, 4, 5, 7, 10, 11 and 12 as identified on the Concept Plan. Buildings shall be located with a maximum front yard setback of 20 feet, as measured from the front of curb for Roads 2, 6, 8 and 9. This setback requirement shall not apply where buildings front along sidewalk cafes, outdoor plazas, courtyards, terraces, hotel entrances/plazas and other useable civic or open space.

Buildings in Land Bays B, F, J and N fronting on Route 28 or Pacific Boulevard shall be set back a minimum of 50 feet and a maximum of 150 feet from the edge of the Route 28 or Pacific Boulevard right-of-way line. Buildings within Land Bay Q shall be set back a minimum of 50 feet and a maximum of 620 feet from Route 28 or Pacific Boulevard. Surface parking within Land Bays B, F and J located between Pacific Boulevard and any buildings located adjacent to Pacific Boulevard, shall be limited to no more than one (1) two-way traffic travel aisle and one (1) row of parking. Such surface parking shall be screened from Route 28 and Pacific Boulevard with landscaping and a berm comparable in size and quality to the Typical Pacific Boulevard Section identified on Sheet 18 of the Concept Plan.

2. Residential Open Space Amenities. Each building containing residential uses shall be located within 300 feet of an active open space area at least 2,500 square feet in size. The distance shall be measured from the point on the building closest to such open space area. Open space areas may include tot lots and pocket parks. Tot lots shall be a minimum of 5,000 square feet in size and shall contain commercial grade equipment.

3. Residential Uses in Land Bay F. Any residential uses located in Land Bay F shall be located only within 250 feet of the Road 8 frontage of Land Bay F.

4. Retail Sales Establishments. Retail sales establishments located within multi-story office buildings that front on Pacific Boulevard or Route 28 shall be oriented away from such public roads. No freestanding retail sales establishments shall be (i) oriented toward Route 28 or Pacific Boulevard, or (ii) located within 200 feet of Pacific Boulevard. Buildings in which an individual retail sales establishments containing 30,000 square feet or greater is located shall be subject to architectural and design standards that ensure such use is masked and does not look or function like a large-scale, freestanding building (i.e., multi-story building, multiple façade treatments giving the appearance of smaller scale retail uses, etc.).

5. No Freestanding Non-Hotel Commercial Uses in Land Bay Q or Land Bay N. There shall be no freestanding non-hotel commercial uses in Land Bay Q or Land Bay N.

6. Screening of Interchange. The Property shall be screened from the Route 28/Nokes Boulevard Interchange with landscaping and a berm along the perimeter of the interchange, a minimum of two and one-half (2 1/2) feet in height and comparable in size and quality to the Typical Pacific Boulevard Section identified on Sheet 18 of the Concept Plan.

7. Terminus of Road 8 and Road 9. At full build-out of the Property, buildings shall be constructed opposite the southern terminus of Road 8 (in Land Bay H) and the northern terminus of Road 9 (in Land Bay E) as illustrated on Sheet 32 of the Concept Plan.

8. No Curb Cuts on Road 9. There shall be no vehicular curb cuts along Road 9.

N. Universal Design.

Residential dwelling units provided in accordance with Proffers I.D. and I.E. shall employ universal design principles to the extent feasible and in accordance with funding requirements of any state, local or federal program governing such units.

O. Freestanding Retail.

No freestanding retail sales establishments shall be located along the Pacific Boulevard, Route 28 or Gloucester Parkway frontages of the Property. The exterior of each freestanding retail sales establishment greater than 30,000 square feet shall be designed to separate each façade fronting on a public or private street such that the elevations provide the appearance of multiple buildings composing the single structure.

VI. EMERGENCY SERVICES

A. Public Use Site.

If ~~within two (2) years of the approval of this rezoning application ZMAP 2008-0021, the County awards construction of a fire and rescue and/or sheriff substation facility on the Property pursuant to the pending Public Private Education and Infrastructure Act process for~~**the Board votes, in its discretion, to construct** the Dulles Route 7/Route 28 Area Fire & Rescue Station **on the Property**, then within sixty (60) days of the date **of** such ~~award is made~~**vote**, the Owner shall dedicate and convey to the Board of Supervisors a minimum of five (5) buildable (i.e., non-floodplain, non-wetlands, non-very steep slopes) acres located in Land Bay N, as identified on Sheets 9 and 10 of the Concept Plan as "Public Use Site Minimum 5 Acres," to be used for a County fire and rescue and/or sheriff substation facility, which shall include an area sufficient for, **and** that may be used for, the installation of a recycling drop off center. In the event such ~~award~~**vote** is made~~ within two (2) years of the approval of this rezoning application~~, the Owner shall**,** (i) ~~permit~~**concurrent with** construction of ~~a temporary access road and grant a temporary access easement to~~**such facility, construct adequate access, as determined by** the County**,** from **the existing northern terminus of** Pacific Boulevard~~across Land Bay N~~ to such five-acre site ~~until such time as permanent access is available from~~**in the event** Pacific Boulevard~~, (ii) construct street access and sidewalks to the site, and (iii)~~ **has not been constructed and** extend sewer, water, telephone, natural gas and electric service to the perimeter of the site~~, all concurrent with the Owner's own development activities on the portion of the Property abutting the site~~. The Owner shall not use such five-acre site for staging, dumping or similar activities

prior to dedication of the site to the County pursuant to this Proffer. Such five-acre site shall not be subject to, and shall be expressly excluded from imposition of, the covenants established for Kincora pursuant to Proffer V.A. However, the site plan and building plans for any fire and rescue and/or sheriff substation on such five-acre site shall be provided for review and comment to the Design Review Committee identified in Proffer V.A. prior to final approval by the County.

In the event the Board has not voted to locate such facility on such five (5) acre site within two (2) years of the approval of this rezoning application ZMAP 2008-0021, the Owner shall dedicate such five (5) acre site to the County, or dedicate a minimum of five (5) buildable acres elsewhere on the Property, to be used for other governmental purposes, except the following: animal shelters (as distinguished from and not to include pet adoption centers), detention facilities, solid waste facilities (as distinguished from and not to include collection bins for drop off of pre-sorted recyclable materials), day labor centers, equipment and material storage yards and publicly owned or group living residential uses.

B. Owner's Contribution.

At the time of the issuance of each zoning permit on the Property, the Owner shall make a one-time contribution of Ten Cents ($0.10) per gross square foot of non-residential floor area and Two Hundred Fifty and 00/100 Dollars ($250.00) per market rate residential dwelling unit **(i.e., not for Unmet Housing Needs Units and ADU- Equivalent Units)**, which shall be payable to the County for distribution by the County to the primary volunteer fire and rescue companies providing service to the Property. Such contribution shall be adjusted annually in accordance with changes to the CPI, beginning from a base year of 1988 (see Proffer VIII.C.). Contributions pursuant to this paragraph shall be divided equally between the primary servicing fire and rescue companies providing fire and rescue services to the Property. Notwithstanding the foregoing, at such time as the primary fire and rescue services to the Property are no longer provided by incorporated volunteer companies, the obligation to make the contributions listed within this paragraph shall cease, or be reduced by half if only one service is no longer provided by an incorporated volunteer company. The intent of these provisions is to support a volunteer fire department and a volunteer rescue squad so long as each is the primary provider of fire or rescue services to the Property.

C. Sprinkler Systems.

The Owner shall require all builders to provide sprinkler systems as required by applicable building codes for each use of the Property. The Owner shall install adequate infrastructure to ensure adequate water flow and pressure for such sprinkler systems.

D. Fire & Rescue Review of Site Plans.

In conjunction with the initial submittal of each site plan on the Property, the Owner shall also submit such site plan to Fire, Rescue and Emergency Management Planning for review and

approval to ensure that the site layout provides emergency vehicles and personnel adequate access and circulation throughout the Property.

E. Emergency Access.

All buildings and parking structures shall be designed to permit adequate access and circulation of emergency personnel and vehicles.

VII. OWNERS ASSOCIATION

The Owner shall establish an Owners Association for the entire Kincora community, hereby defined as including all development on the Property except the Public Use Site and any other land conveyed in fee simple to the County, prior to approval of the first record subdivision plat or site plan on the Property, whichever is first in time. Membership in the Owners Association shall be required of owners of all commercial lots and residential units on the Property. The Owners Association shall have among its duties trash collection and maintenance of each of the common area amenities specified herein, including, without limitation, private streets and alleys, private parking areas, stormwater drainage easements and stormwater management easements and facilities to the extent not required to be maintained by the County, common areas and open space, trash removal, recycling services, snow removal, private sidewalks and trails and private roads, street lights, and all responsibilities and duties specifically assigned to the Owners Association in this Proffer Statement. Nothing herein shall preclude the Owner from incorporating the PD-IP Portion into the Owners Association and subjecting the PD-IP Portion to the OA Covenants and/or establishing separate, sub-associations for any individual sections or land bays within the Property and/or the PD-IP Portion, with such sub-associations assuming responsibility for maintenance and other responsibilities within those individual sections or land bays; provided that the creation and existence of such separate, sub-associations shall not relieve the owners of units in the applicable sections of the Property from membership in the Owners Association for the entire Kincora community. Owners Association documents for the Property shall be submitted for review and approval by the County prior to the approval of the first application for record subdivision plat or site plan on the Property, whichever is first in time.

VIII. MISCELLANEOUS

A. Existing Wells and Drainfields.

The Owner shall abandon all existing wells and septic systems located on the Property in accordance with applicable law.

B. Preliminary Soils Review.

The Owner shall prepare and submit a Preliminary Soils Review of the entire Property prior to submission to the County of the first preliminary plat, construction plans and profiles or site plan, whichever is first in time, for any section of the Property.

C. Annual Escalation.

All cash contributions proffered in this Proffer Statement to be paid by the Owner to the County shall be escalated annually according to the Consumer Price Index for all urban consumers as reported by the United States Department of Labor, Bureau of Labor Statistics for the Washington D.C. Standard Metropolitan Statistical Area ("CPI"). Unless otherwise expressly stated herein, such reference shall mean that the contribution or value shall escalate annually, beginning on January 1, 2011, and continuing each January 1 thereafter, by an amount equal to the percentage increase in the CPI over the prior year. If the U.S. Department of Labor shall ever cease publishing the CPI as defined herein, thereafter the CPI, for purposes of these Proffers, shall be that index published by the Department of Labor or other U.S. government agency intended to reflect general increases in the cost of living for residents in the Washington, D.C. Standard Metropolitan Statistical Area.

D. Severability.

The Owner reserves the right to file and have accepted for review a proffered condition amendment, zoning concept plan amendment, rezoning, commission permit, zoning modification, special exception, variance or other zoning application for any portion of the Property, without having to obtain the joinder and/or consent of the owners of the other portions of the Property for which the zoning and land use approvals are not impacted by such application, provided that such application complies with the applicable submission requirements and Zoning Ordinance provisions.

E. Binding Effects.

The Owner hereby warrants that the Owner owns all interests in the Property; that the Owner has full authority to bind the Property to these conditions; that the officer and/or manager of the Owner signing these Proffers is authorized to act on behalf of the Owner; that no signature from any third party is necessary for these Proffers to be binding and enforceable in accordance with their terms; and that these Proffers are entered into voluntarily.

[SIGNATURES ON FOLLOWING PAGE]

NA DULLES REAL ESTATE INVESTOR LLC,
a Delaware limited liability company

By:_____
Name:_____
Title:_____

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to-wit:

Before the undersigned, a Notary Public in and for the aforementioned jurisdiction, personally appeared _____, as _____ of NA Dulles Real Estate Investor LLC, who acknowledged that he executed the foregoing Proffers with the full power and authority to do so, as the act of such company.

IN WITNESS WHEREOF, I have affixed my hand and seal this ___ day of _____, 2010.

_____
Notary Public

My Commission Expires: _____

EXHIBIT A

CONCEPT PLAN

October 2008
July 21, 2009
October 2, 2009
January 8, 2010
April 26, 2010

EXHIBIT B

ZONING ORDINANCE ("ZO~~"), FACILITIES STANDARDS MANUAL ("FSM") AND LAND SUBDIVISION & DEVELOPMENT ORDINANCE ("LSDO~~")
MODIFICATIONS

~~May 10,~~June 4, 2010

ZONING ORDINANCE MODIFICATIONS

A. **Section 4-1356(C)--Building Height. The Revised 1993 Loudoun County Zoning Ordinance permits maximum building heights of 75 feet in the PD-MUB District.**

In order to fulfill the recommendations of the Revised General Plan to provide prominent buildings adjacent to Route 28, the Applicant requests that a maximum building height of 160 feet be permitted for buildings located along Pacific Boulevard and Route 28 within Land Bays B, F, J and Q. This modification will permit the construction of taller buildings fronting Pacific Boulevard and Route 28, which implements a major goal of the keynote employment district.

B. **Section 4-1356(B)(1)--Front Yard.** The Revised 1993 Loudoun County Zoning Ordinance requires that the maximum front yard in the PD-MUB District not exceed 30 feet, though a maximum front yard of 50 feet may be permitted when a courtyard, plaza, terrace, or other common area a minimum of 300 square feet is provided adjacent to the front property line.

This maximum area will be provided for uses within all Land Bays with the exception of Land Bays B, F, J, N and Q. Because of the constrained physical layout of this Land Bay, a maximum front yard of 150 feet adjacent to Pacific Boulevard may be necessary for Land Bays B, F, J and N. A maximum front yard of 620 feet is requested for Land Bay Q, which is necessary to allow the construction of an office complex in conformance with federal security guidelines. Considering the isolated application of this modification request as well as the lower elevation and proposed landscaping within the buffer area between the buildings and Pacific Boulevard, the Applicant does not believe that it will detract from the intent of the PD-MUB District.

~~B~~C. **Section 4-1356(B)(3)--Rear Yard.** The Revised 1993 Loudoun County Zoning Ordinance requires that the minimum rear yard in the PD-MUB District be at least 5 feet.

The Applicant requests that rear yards of 0 feet be permitted, which is necessitated by the grid network design of streets and blocks that places buildings closer together. Regardless of this requested modification, the Applicant will ensure that necessary fire provisions are incorporated into all designs of buildings which will be verified during site plan review.

~~C. **Section 4-1356(C)--Building Height.** The Revised 1993 Loudoun County Zoning Ordinance permits maximum building heights of 75 feet in the PD-MUB District.~~

~~*In order to fulfill the recommendations of the Revised General Plan to provide prominent buildings adjacent to Route 28, the Applicant requests that a maximum building height of 160 feet be permitted for buildings located along Pacific Boulevard and Route 28 within Land Bays B, F, J and Q. This modification will permit the construction of taller buildings fronting Pacific Boulevard and Route 28, which implements a major goal of the keynote employment district.*~~

D. **Section 4-1358(B)(2), Section 5-1413(C)(1)(a) & Section 5-1413(C)(2)(a)--Parking Lot Landscaping.** The Revised 1993 Loudoun County Zoning Ordinance requires that a 10-foot wide landscape strip be provided between parking lots and property boundaries.

The Applicant requests that this be modified to permit a 10-foot wide landscaping strip adjacent to surface parking lots that will be divided between two planting areas, which together will provide sufficient screening of parking areas. As depicted on Sheet 17 of the Concept Plan, a 10 foot wide landscape strip will be provided, though the area will be comprised of a 6 foot wide (minimum) planting strip adjacent to the street and a 4 foot wide (minimum) planting area adjacent to the surface parking area that will be bisected by a pedestrian walkway. The proposed streetscape will effectively shield surface parking areas from vehicular travelways and pedestrian pathways, which is the intent of Section 4-1358(B)(2), Section 5 1413(C)(1)(a) and Section 5-1413(C)(2)(a).

E. **Section 4-1358(C)--Tree Spacing.** The Revised 1993 Loudoun County Zoning Ordinance requires that street trees be provided adjacent to all areas dedicated for vehicle usage at a density of one tree per 25 linear feet.

The Applicant proposes that this requirement be modified to permit the calculation of required street trees to be calculated, 44 feet on-center where on-street parking is provided and 35 feet on-center where on-street parking is not provided. It is the past experience of the Applicant and its consultants that trees planted according to the requested calculated spacing is sufficient to support healthy vegetative growth. The Zoning Ordinance requirement to provide street trees at a density of one tree per 25 linear feet is not conducive to an attractive, useful and healthy streetscape, as this measurement does not take into account restrictive planting areas such as utility corridors, sight distance and clear zone requirements, signage, lighting and streetscape amenities. The Applicant's modification, which has been approved on other similar projects in the County, takes these

restrictive planting areas into account and aides in the creation of a safe and effective streetscape environment. As depicted on Sheet 19 of the Concept Plan, an emended soil panel will be provided behind the curb to interconnect tree pits, which will create a healthy environment for long-term tree growth.

F. **Section 4-1359(D)(2)--Private Streets.** The Revised 1993 Loudoun County Zoning Ordinance permits the provision of private streets if residential uses are located within 1,200 feet of principal business uses and that 75% of the structures are multi-story mixed use structures.

Each of the residential uses will be located within 1,200 feet of a principal business use structure. Greater than 50% of buildings will be multi-story mixed-use structures, though not the 75% required by this Section. The Applicant believes that the proposed development meets the intent of the PD-MUB District and that this development will be best served by private rather than public streets within the core of the development. An Owners Association will be created prior to the initial record plat approval that will be responsible for maintenance of the private streets.

~~FACILITIES STANDARDS MANUAL ("FSM") MODIFICATIONS~~

A. ~~**Section 4.310(C) - General Design Requirements.** The FSM requires that road jogs with center lines offsets of less than 225 feet shall not be allowed in public and Category A private roadways.~~

~~*The Applicant proposes that private streets within village portion of Kincora will be constructed with centerline offsets of a minimum of 90 feet, which is necessary to permit the type of street grid network including streetscapes that will promote pedestrian safety along these internal roads.*~~

~~**B. Section 4.310(G) - General Design Requirements.** The FSM requires that roadways intersecting with a public or Category A private roadway shall have a minimum length of 50 feet between curb returns and/or curb cuts.~~

~~*The Applicant proposes that the village portion of Kincora will be constructed with private streets that will have a minimum of 0' between curb returns and/or curb cuts, which is necessary to permit the type of street network that will promote, and provide protection, for pedestrian activity along these internal private streets.*~~

~~**C. Section 4.330(B)(2) - Private Roadway Standards.** The FSM requires that Category A roadways shall be constructed with cross section easements that are a minimum of 6' behind the face of curb.~~

~~*The Applicant proposes that the cross section easements for Category A roadways within the village portion of Kincora be permitted to be constructed with cross sections that will be a minimum of 0.5' feet behind the face of curb, which is necessary to permit the type of street network and design necessary to promote pedestrian usability while still ensuring vehicular and pedestrian safety.*~~

~~**D. Section 4.330(B)(3) - Private Roadway Standards.** The FSM requires that i) Category A1, A2, A3, A4 and A5 roadways be designed with a minimum curve radius of 110, 165, 338 and 478 feet, respectively; ii) Category A2, A3, A4 and A5 roadways be designed with speeds of 25, 30 and 35 miles per hour, respectively; and iii) Category A1, A2, A3, A4 and A5 roadways be designed with sight distances of 150, 200 and 275, feet respectively.~~

~~*The FSM requires that i) Category A1, A2, A3, A4 and A5 roadways be designed with a minimum curve radius of 110, 165, 338 and 478 feet, respectively – the Applicant requests that these curve radii be reduced to 50 feet; that ii) Category A2, A3, A4 and A5 roadways be designed with speeds of 25, 30 and 35 miles per hour, respectively – the Applicant requests that these design speeds be reduced to 20 miles per hour; and that iii) Category A1, A2, A3, A4 and A5 roadways be designed with sight distances of 150, 200 and 275, feet respectively – the Applicant requests that these sight distance requirements be reduced to 100 feet. The private roads within the village portion of Kincora will provide adequate vehicular circulation and promote a safe and attractive pedestrian friendly environment.*~~

~~**LAND SUBDIVISION AND DEVELOPMENT ORDINANCE ("LSDO")**~~

~~**A. Section 1245.01(2) Lots and Building Area.** The LSDO requires that all lots shall front on an existing or recorded public street dedicated by the subdivision plat and maintained or designed and built to be maintained by the Virginia Department of Transportation.~~

~~*In accordance with Section 4-1359(D)2 of the Revised 1993 Loudoun County Zoning Ordinance, which permits the construction of private streets within the PD-MUB District, the village portion of Kincora will be developed with lots that will front on private streets constructed in accordance with applicable requirements of the FSM unless modified according to the conditions stated in the Proffers for this rezoning. All of the private streets will be maintained by the Owner's Association that will be created prior to occupancy of any of the buildings within the development*~~

JUSTIFICATION

The 336.64-acre subject property (the "Property") is located in the southwest quadrant of the intersection of Route 7 and Route 28, with Broad Run forming the western boundary. The Property is strategically sited at the crossroads of major transportation thoroughfares, both existing and proposed. The location, size and environmental features of the Property provide a unique setting for an attractive mixed-use business community that will contribute significantly toward the County's economic development and tax base expansion goals.

Approximately 160 acres of the Property are within the 100-year floodplain associated with Broad Run. This natural feature provides exciting recreational opportunities as well as challenging design constraints. The County's keynote employment objectives, the Property's environmental resources and the two key regional road links that cross the Property - Gloucester Parkway and Pacific Boulevard - all guided the vision for Kincora. Kincora has been designed with taller keynote office buildings along the Route 28 corridor, with a suburban-scale village center nestled between the office buildings and the expansive Broad Run floodplain. The village center will be attractive and walkable, with a variety of uses and amenities that create a distinct sense of place to support the keynote office buildings along Route 28.

To achieve this vision for Kincora, certain modifications of the requirements of the Revised 1993 Loudoun County Zoning Ordinance (the "Zoning Ordinance"), Facilities Standards Manual ("FSM") and Loudoun County Subdivision and Development Ordinance ("LSDO") are necessary. These modifications will permit development of Kincora as a vertically-integrated and pedestrian-friendly, mixed-use business community that would not be possible if the site were developed in strict conformance with these provisions of the Zoning Ordinance, FSM and LSDO.

The requested Zoning Ordinance modifications pertain to an increase in front yard and a decrease in rear yard setbacks, an increase in building height, provision of private parking lot landscaping and tree spacing requirements. The designation of the Property for "keynote

employment" in the Revised General Plan seeks to locate prominent office buildings of significant height adjacent to Route 28. To achieve this vision, it is necessary to modify the maximum and minimum front and rear yard setbacks, respectively, and increase the maximum building height of the PD-MUB District to permit such an increase in building height in the portion of the Property along Route 28. Neither modifying the front or rear yard setbacks or increasing the building height will adversely affect neighboring properties. These modifications will permit a development program that will enhance this segment of the Route 28 Corridor in furtherance of the goals of the Revised General Plan. Modifications of the parking lot landscaping and tree spacing requirements are necessary to permit the streetscape scheme described in the Proffers and depicted on the Concept Plan. These modifications will provide sufficient separation between parking areas and the space necessary to promote healthy growth of street trees and plantings.

~~Certain modifications of private street requirements of the FSM and the LSDO are necessary to permit the private road network in the village center portion of Kincora. These FSM and LSDO modifications will allow the street grid network necessary to support the type of compact, mixed-use business community development shown on the Concept Plan. The design of the private street network for Kincora is create a pedestrian-friendly atmosphere with street trees, multiple curb cuts, shorter curve radii and slower speeds on the private streets. In addition, the Owners Association will be responsible for maintenance of all private streets at Kincora.~~

EXHIBIT C

AMENDED DEED OF OPEN SPACE EASEMENT

~~May 10,~~June 4, 2010

DRAFT: ~~May 10,~~June 4, 2010

Document prepared by
and after recording return to:

Hunton & Williams LLP
1751 Pinnacle Drive, Suite 1700
McLean, Virginia 22102
Attn: John C. McGranahan, Jr., Esquire
Tax Map Parcel: 042-49-0209

AMENDED DEED OF OPEN SPACE EASEMENT

THIS AMENDED DEED OF OPEN SPACE EASEMENT (this "Amendment"), dated as of _____ ___, 2007, by and between **NA DULLES REAL ESTATE INVESTOR LLC**, a Delaware limited liability company (the "Owner"), as grantor and grantee for indexing purposes, and **BOARD OF SUPERVISORS OF LOUDOUN COUNTY, VIRGINIA**, a body corporate and politic (the "Board"), as grantor and grantee for indexing purposes, recites and provides:

RECITALS

The Owner is the owner of that certain property in the Broad Run Election District of Loudoun County, Virginia described as Lot 2 of the Beco-Ray property (the "Property"), as such land is described in the deed recorded as Instrument #200509160104823 among the land records in the Clerk's Office of the Circuit Court of Loudoun County, Virginia (the "Land Records").

A portion of the Property currently is encumbered by an open space easement running to the benefit of the Board (the "Existing Easement"), which easement is recorded in Deed Book 2314, at page 1589 among the Land Records.

The Owner and the Board desire and intend to amend the Existing Easement for the purpose of clarifying and confirming certain uses that are expressly permitted on the portion of the Property encumbered by the Existing Easement.

AMENDMENT:

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. ***Amendment of Existing Easement***. Numbered paragraphs 10 and 11 of the Existing Easement are expressly amended and restated in their entirety as follows:

10. The ~~property~~ **portion of the Property which is** subject to this easement (the "Open Space Property") shall not be further subdivided**, except in connection with and to the extent necessary for, the dedication of public**

street right-of-way for Gloucester Parkway and Pacific Boulevard along alignments consistent with the Countywide Transportation Plan.

11. Notwithstanding any of the foregoing provisions, the Grantor expressly reserves to itself, its successors and assigns the right to:

(a) Continue the agricultural, forestry and naturalistic uses of the Open Space Property.

(b) Continue to hunt, fish or trap on the Open Space Property subject to relevant laws.

(c) Improve, repair, restore, alter, remodel or replace the existing and the permitted structures with structures of similar size and purpose provided that the changes are compatible with the conservation purposes of the Open Space Property and all other provisions of this Easement.

(d) Continue the use of the Open ~~s~~**S**pace Property for all purposes not inconsistent with this Easement which use shall expressly include**, but not be limited to (i)** the location, construction, maintenance and repair of existing and future utility lines and appurtenant facilities constructed pursuant to all necessary County approvals and related utility easements~~ and shall include~~**, (ii)** use of the Open Space Property for wetlands mitigation**, wetlands restoration and creation, stream restoration, wetlands and stream mitigation banking, and riparian reforestation** purposes**; (iii) construction of Gloucester Parkway and Pacific Boulevard along alignments consistent with the Countywide Transportation Plan; (iii) location, construction, maintenance and use of trails**.

Except as specifically and expressly modified by this Amendment, the terms and conditions of the Existing Easements shall remain in full force and effect.

2. ***Covenants Run with the Land***. This Amendment and the Existing Easement establish obligations which constitute real covenants which shall run with the land and be binding on the Owner and its administrators, executors, assigns, heirs and any other successors in title or interest.

3. ***Counterparts***. This Amendment may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one and the same instrument binding on all parties hereto, notwithstanding that all parties shall not have signed the same counterpart.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

WITNESS the following signature and seal:

OWNER:

NA DULLES REAL ESTATE INVESTOR LLC, a Delaware limited liability company

By: _____
Its: _____

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me in the above jurisdiction this ____ day of _____, 200__, by _____ as _____ of NA Dulles Real Estate Investor LLC, a Delaware limited liability company, on behalf of the company.

_____
Notary Public

My Commission Expires: _____

[Signatures continue.]

WITNESS the following signature and seal:

BOARD:

BOARD OF SUPERVISORS OF LOUDOUN COUNTY, VIRGINIA, a public body corporate and politic

By:_____(SEAL)
Name:_____
Title:_____

COMMONWEALTH OF VIRGINIA
COUNTY OF LOUDOUN, to wit:

The foregoing instrument was acknowledged before me in the above jurisdiction this ____ day of _____, 200__ by _____, _____ of the Board of Supervisors of Loudoun County, Virginia, a public body corporate and politic, on behalf of the Board.

_____
Notary Public

My commission expires: _____

EXHIBIT D

DESIGN GUIDELINES

April 15, 2010

EXHIBIT E

PD-MUB DISTRICT INCENTIVES

~~May 10,~~June 4, 2010

The PD-MUB District permits a maximum FAR of 0.5, but also includes various incentives that allow increases in the maximum permitted FAR up to 1.0. As depicted on the Concept Plan and committed to in the Proffers, this rezoning satisfies the requirements for most of the incentives. In accordance with Section 4-1359(C) of the Revised 1993 Zoning Ordinance, an increase in FAR for the Property above 0.5 is justified according to the following:

1) **The Board of Supervisors may grant an increase of 0.1 FAR above the maximum permitted floor area ratio if the district size is a minimum of 100 acres.**

   The proposed PD-MUB District contains 334 acres, well in excess of the 100-acre minimum; therefore an increase in FAR of 0.1 is justified.

2) **The Board of Supervisors may grant an increase of 0.1 FAR above the maximum permitted floor area ratio if structured parking is provided to satisfy at least 50% of the required parking for the district. An increase of 0.2 FAR above the maximum permitted floor area ratio may be granted if 100% of the off-street parking is provided within structured parking. Such structured parking shall be designed in a manner that is integrated with nearby building architecture to minimize visual impact.**

   Parking for Kincora will be phased with the development of the Property. At full build-out, at least 50% of the required parking necessary to support the uses will be provided through a combination of below and above grade parking structures. Above grade parking structures will be designed in a manner that is harmonious with the overall architectural scheme at Kincora. (See Proffer V.F.) Therefore, an increase in FAR of 0.1 is justified. This additional intensity will not be available to the Owner until a site plan is submitted confirming that 50% of the total required parking will be provided as structured parking.

3) **The Board of Supervisors may grant an increase of 0.1 FAR above the maximum permitted floor area ratio if at least 10% of the dwelling units provided are affordable to households earning up to 100% of the Washington Area Median Income (AMI), are located in vertically mixed buildings, and that covenants are recorded in favor of the County to maintain such affordability for a minimum period of 15 years.**

The Owner is committed to providing 16.25% of the total number of dwelling units constructed within Kincora as affordable to persons earning up to 100% of the AMI. This will be accomplished through the provision of a combination of affordable dwelling units (available to persons earning up to 70% of the AMI) and other unmet housing needs programs (workforce dwelling units) (available to persons earning up to 100% of the AMI). Affordable dwelling units will be provided in accordance with the requirements of the Revised 1993 Loudoun County Zoning Ordinance. The balance of this commitment will be composed of workforce dwelling units. (See Proffers I.D. and I.E.). Therefore, an increase in FAR of 0.1 is justified. This additional intensity will not be available to the Owner until a site plan is submitted confirming that at least 10% of the total number of dwelling units will be made available to persons earning up to 100% of the AMI.

4) **The Board of Supervisors may grant an increase of 0.1 FAR above the maximum permitted floor area ratio if at least one of the following uses is provided. In addition, the floor area of such use will be excluded from the FAR calculations:**

(a) **Hotel, full-service to include a sit-down restaurant, meeting space, and at least two of the following in house services: exercise room, room service, or concierge service.**
(b) **Adult day care facility.**
(c) **Theater, indoor, limited to live performances.**

Kincora proposes to include at least one full-service hotel, as well as an indoor theater for the performing arts. (See Proffers I.B.3. and I.G.). Therefore, an increase in FAR of 0.1 is justified, and the floor area for such uses will be excluded from the FAR calculations for the Property. This additional intensity will not be available to the Owner until a site plan is submitted proposing the construction of either a full-service hotel or the performing arts center.

5) **The Board of Supervisors may grant an increase of 0.1 FAR above the maximum permitted floor area ratio if a local shuttle system or other public transportation improvement is provided by the applicant/landowner.**

The Owner proposes to provide a local shuttle service that will provide transportation services for employers within Kincora to destinations in the vicinity, including Dulles Town Center. (See Proffer III.L.). In addition, the Owner has proffered contributions for transit service and bus shelters to be provided along Pacific Boulevard, which will accommodate public bus service for the region once routes are established in the Route 28 corridor. (See Proffers III.I. and III.K.). Therefore, an increase in FAR of 0.1 is justified. This additional intensity will not be available to the Owner until a site plan is submitted with the requisite amount of development per these Proffers that requires the implementation of a shuttle service.

6) **The Board of Supervisors may grant an increase of 0.1 FAR above the maximum permitted floor area ratio when at least 2 contiguous lots that existed at the time of adoption of this Ordinance with each having frontage on an arterial road, submit a single zoning map amendment application to a PD-MUB district with the CDP showing no direct access onto an arterial road from any such lot.**

The Property has frontage along an arterial road (Route 28). The rezoning application proposes to remove all existing access points onto Route 28, and will provide access to Route 28 via the Route 28/Nokes Boulevard interchange that is currently being constructed on the Property. Therefore, an increase in FAR of 0.1 is justified.

Kincora satisfies all the incentives described above. Therefore, the maximum FAR potential for the PD-MUB District at Kincora should be established at 1.0. Notwithstanding the maximum 1.0 FAR potential of the Kincora PD-MUB District, the Proffers and Concept Plan limit the development allowed on the Property to a maximum FAR of 0.80 with the floodplain excluded (5,240,025 square feet). The Owner shall not be permitted to exceed such maximum density and intensity of use allowed in the Proffers and on the Concept Plan unless a future application for a Zoning Concept Plan Amendment ("ZCPA") to increase those proffered limitations is approved.

EXHIBIT F

BROAD RUN RESTORATION CONCEPT PLAN

June 2, 2009
July 8, 2009
January 2010

EXHIBIT G

CENTRAL PLAZA AND DESIGN ILLUSTRATIONS

~~May 10,~~June 4, 2010

EXHIBIT H

LAND USE LINKAGE TABLE

~~May 10,~~June 4, 2010

June 4, 2010

PROFFER EXHIBIT H

USE	PHASE 1	PHASE 2	PHASE 3	TOTAL
~~USE~~				
Employment/Office (s.f.)	**650,000/800,000***	**~~300,000~~700,000**	**~~1,772,200/1,622,200~~1,372,200/1,222,200***	**2,722,200**
Keynote Office	*300,000 min.*	*~~300,000~~700,000 min.*	*~~1,300,000~~900,000 min.*	*1,900,000 min.*
Commercial - Retail/Service (s.f.)	**195,000**	**105,000**	**93,825**	**393,825**
Employment Supportive Retail	*100,000, min.*	*80,000 min.*	*20,000 min.*	*200,000 min.*
Commercial - Hotel (s.f.)	**150,000**	**325,000**		**475,000**
TOTAL NON-RESIDENTIAL (s.f.)	**995,000/1,145,000***	**~~730,000~~1,130,000**	**~~1,866,025/1,716,025~~1,466,025/1,316,025***	**3,591,025**
Residential Units				
Market Rate	*550*	*75*	*247*	*872*
Market Rate Units subject to baseball stadium	*150*	*150*	*--*	*300*
ADUs/Workforce Dwelling Units	*96*	*75*	*57*	*228*

TOTAL RESIDENTIAL UNITS	**646/796***	**150/300***	**304**	**1,100/1,400***

* Applicable number if baseball stadium constructed

EXHIBIT I

TRANSPORTATION PHASING TABLE

~~May 10,~~June 4, 2010

PROFFER EXHIBIT I

TRANSPORTATION PHASING				
	TRANSP. PHASE 1A	**TRANSP. PHASE 1B**	**TRANSP. PHASE 2**	**TRANSP. PHASE 3**
IMPROVEMENT	½ section (2 lanes) of Pacific Blvd from Nokes Blvd/Rt. 28 interchange to entrance to land bay in which use is located	Full section of Pacific Blvd (4 lane divided) from southern property boundary to northernmost land bay site entrance	Full section of Pacific Blvd (4 lane divided) from the northernmost land bay site entrance on-site across Broad Run to Russell Branch Pkwy	Full section of Gloucester Pkwy (4 lane divided) from the Nokes Blvd/Rt. 28 interchange across Broad Run to Loudoun County Pkwy
TRIGGER (CONSTRUCT OR BOND FOR CONSTRUCTION)	Prior to 1st record plat approval or 1st site plan approval	Prior to zoning permit for the earliest of: • 300,001 s.f. non-residential, or • 301 dwelling unit	Prior to zoning permit for the earliest of: • 1,145,001 s.f. non-residential (excluding LB Q), or • 797 dwelling unit	Prior to zoning permit for 2,400,001 s.f. non-residential
MAXIMUM DEVELOPMENT	• 300,00 s.f. non-residential, and • 300 dwelling units	• 1,145,000 s.f. non-residential (excluding LB Q), and • 796 dwelling units	• 2,400,000 s.f. non-residential, and • 1,400 dwelling units	Full build-out

Document comparison done by Workshare DeltaView on Friday, June 04, 2010 3:55:40 PM

Input:	
Document 1	interwovenSite://EMF_US/HW_US/26209686/18
Document 2	interwovenSite://EMF_US/HW_US/26209686/19
Rendering set	H&W

Legend:	
Insertion	
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Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	148
Deletions	140
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	288

Transportation Funding Scenarios

Scenario 1 No Rezoning	Scenario 2 Rezoning Approved CDA Approved	Scenario 3 Rezoning Approved No CDA – Transportation Phasing	Scenario 4 Rezoning Approved No CDA – Per unit contribution for Gloucester up to 872 units
No funds for Gloucester or Pacific crossings of Broad Run; on-site right-of-way dedicated and constructed to serve proposed uses	100% of Gloucester and Pacific, including off-site right-of-way, paid by the applicant Crossings constructed within 3+ years of CDA creation	100% of Gloucester and Pacific, including off-site right-of-way, paid by the applicant Pacific Boulevard construction to Russell Branch Parkway – Transportation Phase 2 (prior to development of more than 1,145,000 square feet of non-residential uses or 796 residential units) (7 ± years) Gloucester Parkway constructed to Loudoun County Parkway – Transportation Phase 3 (development of all 1,400 residential units and more than 2.4 million square feet of non-residential uses) (11 ± years)	100% of Pacific, including off-site right-of-way, paid by the applicant Applicant pays $23,758 per unit contribution for 872 residential units for a total of $20,716,976 to be used for the construction of Gloucester Parkway Gloucester Parkway constructed to Loudoun County Parkway prior to Transportation Phase 3 – County would apply the per unit contribution towards the total cost of construction with the remaining amount coming from an unknown revenue source. Gloucester Parkway constructed to Loudoun County Parkway – Transportation Phase 3 – The applicant would apply the per unit contribution towards the total cost of construction with the remaining amount funded by the applicant. (11 ± years)

Source: Applicant's June 4, 2010 Proffer Statement

ATTACHMENT 4

COUNTY OF LOUDOUN

MEMORANDUM

To: Tim Hemstreet, County Administrator

From: Mark Adams, Ben Mays, Management and Financial Services

Date: June 9, 2010

Subject: **Initial Financial Analysis of Proffered Transportation Scenarios – Kincora Rezoning**

As part of the Board of Supervisors deliberations during the Committee of the Whole Worksession on the proposed Kincora Rezoning on June 2, the Board of Supervisors directed that transportation proffer language be provided for each of the three potential scenarios under discussion. The new proffer language arrived late Friday afternoon and this memo must, therefore, be viewed as only an initial review of the language and its potential repercussions.

There were, as previously stated, three potential scenarios that involved the provision of the transportation improvements to Pacific Boulevard and Gloucester Parkway: Scenario 2, which provided for the creation of a Community Development Authority, or CDA, to fund the improvements; Scenario 3, under which the developer would wholly construct the improvements by the third transportation phase of the development; and Scenario 4, under which the developer would construct the Pacific Boulevard improvements, but would have the County finance the Gloucester Parkway improvements from a combination capital facility proffers and future tax receipts. Financial staff has initially examined each scenario and offers the following impressions of each.

Scenario 2 – CDA

As you are aware from a previous memo, absent the market analysis that could provide staff with an independent analysis of the development scenario that governs the financial structure of the CDA, staff is not prepared to make a positive recommendation of this scenario. Adopting the proffer statement prior to completing the CDA review directed by the Boards' Adopted Policy on Special Districts, precludes the County from using this tool to remedy any outstanding issues that may be discovered subsequently. The newest proffer language regarding timing and conditions for the issuance of the CDA debt is still unclear. Staff would recommend that this language be further clarified prior to its adoption.

Scenario 3 – Gloucester at Phase 3

The applicant is proposing to receive capital facilities credit for the delivery of the "excess" portions of the Pacific Boulevard and Gloucester Parkway improvements (i.e., the proportion of the total cost above the level created by the development's impact). The County receives capital facility proffers to help mitigate the impact of residential development upon the County's capital facilities. While the previous Board did adopt a policy that they would provide credit for "above and beyond" transportation improvements, the link is still to residential impact. Waiting for the

road improvements until eleven or more years in the future, while the developer assumes the majority of the residential portion of the development will occur within the first five years significantly disconnects the cause of the mitigation: housing, from the actual mitigation: road. If the Board foregoes the $25 million in capital facility proffers that could be used for other County projects in order to acknowledge the importance of these transportation improvements, then staff recommends that the Board ask to change the link for this proffer to something more closely associated with the development of the majority of the housing.

Scenario 4 – County Pays for Gloucester Parkway

The most recent scenario advanced by the applicant suggests that should the County wish to advance the timing for road construction, the County could dedicate the capital facilities proffer payments associated with some of the housing units to pay for part of the cost of the Gloucester Parkway improvements. Again, similar to Scenario 3, the applicant is asking to count this contribution against their capital facilities proffer amount. Since the amount to be potentially conveyed is less than two-thirds of the estimated cost of the improvement, the applicant suggests the County fully fund the project by the use of additional general County tax revenues that they estimate would be generated from the larger development. Under this Scenario, the applicant is no longer making any contribution to the portion of the Gloucester Parkway improvement that is generated by their development. Current estimates are that that amount is roughly $12 million out of the $31 million dollar cost. It is true that if the proffer payment per unit were extended to all non-ADU units in the development, that much, if not all, of the deficit, in current dollar terms, could be met.

Either of these options (cash proffers form 872 units or from all 1,300 non-ADU units) creates a long-range funding problem for the County. The applicant expects that it will take eight or more years to complete the residential buildout and to maximize the fund created by the per unit proffer contribution. The County would, almost certainly, experience a great risk of inflation–related loss over such a period. Proffers are legally limited to an inflation adjustment of not more than the rate of general inflation as represented by the Consumer Price Index for all urban consumers (CPI-U). If past experience is a guide, the County would face a far greater rate of increase in the cost of the road improvements than that inflator provides. When examining the Producer Price Index from 2005 through 2010, the annual rate of inflation for street and highway projects was just over 8%, while the comparable CPI-U annual rate was under 2.5%. On a project of the size of the Gloucester Parkway improvement, even if all 1,300 units provided the appropriate proffer, the project could face an inflation related shortfall of $10 million after just eight years. If there are any delays, the inflation–related shortfall just grows larger.

One option is for the Board to request the $31 million in cost be provided by a proffer contribution of roughly $25,000 per unit on all 1,300 units. These funds could go into an escrow or "sinking" fund. The County could issue either General Obligation (after approval by the voters at referendum) or Appropriation-based debt to finance the Gloucester improvement up front, thereby eliminating most of the inflation risk. The Proffer collections in the escrow fund could be used to retire outstanding principal over time, or be used to pay debt service on the bonds. In the earliest years, local tax funding would be required to pay for at least some of the debt service. There is no guarantee that the development would fully build out, and more subsidy over time might result, but this would get the improvement in place early and would

eliminate the inflation risk described above. The County would also have to postpone some projects in the CIP in order to create the debt capacity for this project.

Summary

Again, this is a very preliminary analysis of the language in the proffer statement. With that caveat, if the Board of Supervisors wishes to approve the rezoning and to minimize the County's exposure to the risks of development delays and inflation, the ideas above represent the financial staff's recommendations for negotiations with the applicant.

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