

**KINCORA
(ZMAP 2008-0021)**

**Applicant's Response to
Staff Land Use Recommendations for the February 4, 2010 PC Worksession**

Residential

1. *Reduce the number of residential dwelling units to 720.*

The chart in the Staff Report that generated the 720 number did not use the correct land areas. The chart attached as Exhibit 1 does. Applying the correct land areas for Kincora, Staff's target residential number would be 782.

A breakdown of the Kincora residential use is instructive:

872	Multi-family market rate units
228	Multi-family ADUs/workforce units
<u>300</u>	Multi-family market rate units to finance ballpark
1,400	Total multi-family units

These residential units are vital to Kincora in two respects. First, they are needed, indeed required in the PD-MUB District, to create the vibrant "live, work, play" environment today's office tenants demand. This was the conclusion in Fulton Research, Inc.'s Route 28 Corridor Analysis of Development Potential for Class A Office Space commissioned by the Board of Supervisors in connection with CPAM 2009-0001. Reducing the number of dwelling units will detract from the mixed-use vision for Kincora, decrease the opportunities for affordable and workforce housing, and undermine the Applicant's ability to successfully execute its development plan. As a result, the current flex-industrial zoning will remain on this strategic property, with a plan designation that calls for 1980s-style, unconnected campus office buildings that the current and foreseeable future market will not absorb.

Secondly, multi-family residential units provide an immediate value for this Property that can be used to finance and construct the necessary infrastructure and amenities. For example, at a value of approximately \$70,000/unit, 300 apartments will produce a value of approximately \$21 million. That amount can be used to finance the ballpark at Kincora with private dollars, instead of requiring taxpayer funds, which are almost always used to finance such facilities. Essentially one or two apartment buildings will create the value needed to pay for the ballpark. The remaining market rate units at Kincora are necessary to support the funding of the significant regional road and trail improvements.

When you back out the units conditioned on construction of the ballpark and the ADU/workforce units, the Applicant's number is marginally higher than the Staff's corrected number – 872 vs. 782. The Applicant set the number of units at Kincora to ensure a viable mixed-use environment and to support the significant infrastructure and amenities being provided.

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The use mix for Kincora complies fully with the use requirements of the PD-MUB District as illustrated in Exhibit 2.

2. *Provide a capital facilities contribution of \$33,261,200.*

The Applicant is committing to provide 16.25% of the total dwelling units as unmet housing needs through a combination of affordable dwelling units (ADUs) and workforce housing units that will be owned and operated by the Loudoun County-based Windy Hill Foundation. The Applicant has proffered this commitment even though the type of residential product proposed at Kincora will be exempt from providing ADUs under the Revised 1993 Zoning Ordinance. Considering this unprecedented contribution of dwelling units to address the County's unmet housing needs, the Applicant believes that the capital facilities contribution should be based upon the market rate units (1,172 multifamily units), which results in an anticipated capital facility contribution of \$27,844,376 (1,172 du x \$23,758), rather than the number identified in the Staff memorandum.

In accordance with adopted Board of Supervisors (BOS) policies, the BOS has the authority, in its discretion, to grant capital facilities credit for significant road improvements and dedication of open space. With the extensions of Gloucester Parkway and Pacific Boulevard across Broad Run, this Applicant is proffering to construct two major regional road improvements identified in the Countywide Transportation Plan. Together, the bridge crossings for these two critical regional road links will cost approximately \$43 million dollars. Further, these links will provide road capacity well in excess of that necessary to support the uses proposed with the Kincora application at full build-out. In the previous Kincora rezoning application (ZMAP 2006-0016), Staff considered these improvements, along with other contributions, as meeting the anticipated capital facilities contribution. Both One Loudoun and Arcola Center received capital facilities credit for significant regional road commitments. This Applicant is requesting similar consideration with this rezoning. The Applicant's proposed capital facilities contribution is provided in Exhibit 3.

3. *Use the dedication of 160-acre Broad Run floodplain as the Open Space Preservation Program contribution to offset the high-density residential units, since floodplain does not qualify for mitigation of capital facilities impacts.*

This Applicant proposes to dedicate approximately 162 acres of Broad Run floodplain to the County for recreational and conservation purposes, which will be a tremendous asset for the County. A maximum of 50% of the required open space for a development may consist of RSCOD elements, meaning the Applicant may only count 16.83 acres of the proposed 162-acre floodplain dedication toward meeting the open space requirement for this project. In addition, the Revised General Plan states that "five percent of all residential units associated with densities above 4.0 dwellings per acre should result from the acquisition of an equivalent number of open space easements..." The Applicant's proposed 1,400 multifamily dwelling units equals a residential density of 4.16 du/ac as calculated according to the Revised General Plan. Therefore, Kincora is proposing 56 dwelling units above the 4 du/ac density. To meet the open space easement

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recommendations of the Revised General Plan, 56 acres of the 162-acre floodplain dedication should be credited toward open space easements. As mentioned above, the BOS may, in its discretion, grant capital facility credit for dedications of significant open space. The remaining approximately 89 acres of floodplain dedication should be credited toward the Applicant's capital facility contribution by the BOS. The floodplain dedication breaks down as follows:

Open space requirement:	16.83 acres of floodplain (+ an additional minimum of 16.83 acres outside of the floodplain)
Open space easements for 56 units:	56 acres of floodplain
Capital facilities credit for floodplain park:	89 acres of floodplain (at 10% of its fair market value)

4. *a. Provide unmet housing specifically for those with incomes below 30 percent of the Washington Metropolitan AMI; or*
- b. Make a contribution of \$500 per market rate residential unit to the County's housing trust fund; and*
- c. Revise the proffers for consistency with the ADU Ordinance.*

The Applicant's proposed contribution of 16.25% of the total dwelling units as a combination of ADUs and workforce dwelling units is unprecedented, especially considering that the type of dwelling units proposed at Kincora will be exempt from providing any ADUs or workforce dwelling units under the Revised 1993 Zoning Ordinance. The Kincora Proffers have been revised to commit to providing 6.25% of the dwelling units as ADUs available to purchasers whose income is between 30% and 70% of the Washington AMI and to renters whose income is between 30% and 50% of the Washington AMI. The remaining 10% of the designated unmet housing units will be provided as workforce dwelling units available to renters and/or purchasers whose income is up to 100% of the Washington AMI. The total contribution of 228 dwelling units serving low and moderate income residents is a tremendous contribution that will provide a significantly greater impact than contributing \$500 per market rate dwelling unit to the County's housing trust fund. Based upon Zoning comments received March 26, 2010, the Applicant is revising the Proffers to correct inconsistencies between the Proffers and the requirements of Article 7 of the Revised 1993 Zoning Ordinance.

We anticipate the Windy Hill Foundation may be providing a separate response to this comment.

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Commercial Retail and Service

5. *Reduce the amount of commercial retail uses on the northern area to 5% of the total office floor area in the northern area—93,610 square feet. Combined with the 29,000 square feet of retail proposed for the southern area, the total Staff recommended retail floor area for the development is 122,610 square feet.*

If the applicant wishes to increase the amount of retail on the southern portion of the site to the maximum recommended in the RGP (47,500 sq. ft.), the total Staff recommended retail floor area would be 141,110 square feet.

If the Commission wishes to consider additional retail to support the residential uses:

Staff recommends a maximum of 5% of the total floor area of the project (residential and non-residential)—217,680.

As discussed at the Planning Commission worksession, the commercial and retail uses at Kincora have been proffered extensively and specifically to preclude the Applicant from creating a destination retail center. The commercial and retail breakdown is:

Employment supportive retail	200,000
Outdoor recreational retail establishment (1)	60,000
Health and fitness establishment (1)	60,000
Grocery store (1)	60,000
Miscellaneous retail	13,825
Full service hotel	345,000
Select service hotel	<u>130,000</u>
Total:	868,825

The Applicant has significantly restricted the commercial and retail component for Kincora even though the Countywide Retail Plan recommends that most of the Kincora property is appropriate for destination retail uses. As proposed, Kincora will provide the type and quantity of employment supportive retail uses along with multifamily dwelling units that will attract keynote employment to this location, rather than the type of big-box destination retail uses recommended in the Countywide Retail Plan. In 2008, the BOS approved the Paragon Park application just south of Kincora. Paragon Park is subject to the same land use designations as Kincora – destination retail and keynote employment. For Paragon Park, Staff supported commercial retail and service uses in an amount up to 10% of the land area, as recommended by the keynote employment land use matrix of the Revised General Plan. This application should be analyzed in the same manner as Paragon Park, which also chose to develop according to the keynote employment policies of the Revised General Plan, rather than the destination retail uses of the Countywide Retail Plan. The amount of commercial retail and services proposed for Kincora only exceeds 10% of the land area if you include the two hotels. Excluding the hotels, which were excluded by Staff for Paragon Park, the amount of commercial and retail uses at Kincora is less than 10% of the land area. The Proffers specifically commit that a minimum of

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200,000 square feet of the 393,825 square feet of retail uses will be composed of employment supportive retail. Further, Staff's January 11, 2010 memo to the Planning Commission supported the Applicant's proposed amount of retail if the Planning Commission ultimately recommends approval of the residential component of Kincora, as this amount of retail will be appropriate to support the number of residents and employees at Kincora.

Large-scale Free-standing Retail

6. *Remove free-standing retail that exceeds 50,000 square feet from the project.*

Should the Planning Commission wish to consider large-scale free-standing retail:

7. *Proffer to locate free-standing retail on the interior of the site with no frontage or signage on Route 28, Pacific Boulevard, and Gloucester Parkway.*

8. *Proffer to architectural and design standards that ensure these larger buildings are masked and do not look or function like large-scale free-standing buildings.*

As proffered, only three retail uses may be greater than 30,000 square feet, but no larger than 60,000 square feet, with such uses limited to the following: one grocery store, one health and fitness center and one specialty outdoor recreational sales establishment. Each of these uses is supportive of the uses proposed on the property. Additionally, the Proffers commit that these three establishments will not be located along the property's Pacific Boulevard, Route 28 or Gloucester Parkway frontages. All uses on the property will be subject to the Design Guidelines as proffered and contained in Exhibit D of the Proffer Statement. In addition, the Proffers have been revised to commit to architectural treatments of these three retail uses such that their facades will be treated to provide the appearance of multiple building elevations, which supports the pedestrian-oriented environment of the Kincora development.

Hotel(s)

9. *Reduce the number of hotels to 1 full-service facility.*

The Applicant has reduced the number of hotels from three to two, which includes one full-service hotel and one select service hotel. Considering the amount of office space and the baseball stadium, it is appropriate to locate two hotels on the property, with each serving a different target market. Locating these hotels on the property will provide convenient support for the uses on-site, will reinforce the mixed-use nature of the project and will further contribute to a reduction in automobile traffic on public roads leading to the property.

Civic Space

10. *Base the amount of civic space on the gross land area rather than the total floor area.*

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11. *Commit to specific types, sizes, locations, and phasing of civic space. Consider proffering a school and community center as civic space.*
12. *Revise the proffers to include only those civic space uses that meet the definition of civic space as identified in the RGP.*
13. *If the applicant wishes to count the 2-acre performing arts center site towards meeting the civic space requirement, amend the proffers so that the 2-acres will be devoted to some other civic amenity if the performing arts center is not located on site.*

We agree. Sheets 32 and 33 of the Concept Plan are proffered and require that a minimum of 16.83 acres of civic space be provided. The Proffers have been revised to specifically commit to providing the minimum amount of civic space (16.83 acres) as recommended by the Revised General Plan, consistent with Sheets 32 and 33 of the Concept Plan. Additional types of civic uses have been included in the Proffers for consistency with the Revised General Plan. Staff has never requested that a school site be provided on this property, as there will not be enough residential units in the vicinity to warrant the construction of a public school at this location. Land for a performing arts center, which will function as a community center, has been proffered. The performing arts center is anticipated to be constructed in Phase 1 or 2, depending on financing. If the performing arts center is not provided, the Applicant is obligated by the Proffers to create an equivalent amount of civic space elsewhere on the property to meet the proffered 16.83 acres.

Phasing

14. *Decrease the amount of residential and retail uses in each phase.*
15. *Increase the amount of office uses in each phase.*
16. *Develop higher intensity office uses fronting Pacific Boulevard in the early phases of the development.*
17. *Include the hotel use in the phasing plan, realizing that a hotel is employment supportive to office uses and should be constructed after office uses are.*

To succeed, Kincora must create the core elements of the village area in order to attract the desired office uses. The Applicant also appreciates the County's desire to make sure a significant portion of the keynote office uses are provided in Phase 1 and Phase 2, with material residential and retail components reserved for Phase 3. Accordingly, the Applicant is prepared to modify the phasing as follows:

Phase 1

150,000	Keynote office (4 stories)
200,000	Office over retail
195,000	Non-hotel "retail"
150,000	Hotel

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550	Unrestricted market rate units
150	Market rate units subject to issuance of a zoning permit for the ballpark
96	ADU/Unmet Housing Needs units

Phase 2 (not cumulative)

650,000	Keynote office (4 stories)
500,000	Office over retail
105,000	Non-hotel "retail"
325,000	Hotel (full service)
75	Unrestricted market rate units
150	Market rate units subject to issuance of an occupancy permit for the ballpark
75	ADU/Unmet Housing Needs units

Phase 3 (not cumulative)

1,100,000	Keynote office (4 stories)
100,000	Office over retail
93,000	Non-hotel "retail"
247	Unrestricted market rate units
57	ADU/Unmet Housing Needs units

A summary of the revised phasing is provided in Exhibit 4.

PD-MUB

18. *Exclude the southern portion of the property from the PD-MUB rezoning request and revise the application to request PD-OP on the southern area.*

Otherwise, the applicant will need to demonstrate to the Zoning Administrator how the southern portion of the property is compact, pedestrian-oriented, unified, and interconnected with the northern portion.

As proposed, Kincora meets all of the requirements of the PD-MUB District, including the appropriate mix of land uses. The Kincora property is unique. Designing a community at this strategic location is challenging given its long-narrow shape, the significant amount of floodplain and the grade-separated interchange for Route 28. This Applicant has addressed those challenges with a coordinated design for a balanced mix of uses that are interconnected by way of pedestrian pathways on both sides of each private street, a ten foot wide multi-purpose trail adjacent to Pacific Boulevard and an extensive trail network that will traverse the floodplain area to be dedicated to the County. All buildings at Kincora will be subject to the same Design Guidelines, which will ensure uniform, high-

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quality design throughout the property. Also, the Applicant has proffered a private shuttle service to transport employees from Land Bays N and Q to the employment, commercial and residential uses in the northern portion of the property. Severing Land Bays N and Q will not make the Kincora application any more connected and/or harmonious than currently proposed. Further, rezoning the property to separate zoning districts may result in a lack of consistency between the design and connectivity of the northern and southern portions of the property. The County will benefit from having this 400-acre property, inclusive of the SPEX area, developed as one community - even if some element of the office uses are provided in a campus setting on the south side of the interchange. In addition, removing Land Bay N from the PD-MUB District would compromise the timing of the fire and rescue site, for which construction funds currently are available, because a fire and rescue station is a permitted use in the PD-MUB District, but is only permitted by special exception in the PD-OP District.

**Regional Office Analysis
(Land Bays A - K)**

	Total Area				
	8,520,308				
Land Use Category	Minimum Required per RGP	Maximum Permitted per RGP	Minimum Amount per RGP	Maximum Amount per RGP	Proposed (GFA)
High Density Residential	15%	25%	1,278,046	2,130,077	1,544,000
Regional Office	50%	70%	1,704,062	5,964,216	1,872,200
Commercial Retail & Services	0%	10%	0	852,031	369,825 (1) 475,000 (2)
Light Industrial/Flex	0%	10%	0	852,031	0
Overall Commercial & Light Industrial	0%	20%	0	1,704,062	844,825
Public & Civic (3)	5%	No maximum	426,015	No maximum	100,000
Public Parks & Open Space	10%	No maximum	852,031	No maximum	4,040,814
Non-Residential (0.4 FAR -1.0 FAR recommended)	40%	100%	3,408,123	8,520,308	2,717,025
Residential Units (16 du/ac recommended)			469	782	1,400
Total GFA					4,361,025

1. Non-Hotel Commercial Uses
2. Hotel Uses
3. Civic Space will be provided in conformance with the applicable proffer statement

**Keynote Employment Analysis
(Land Bays N & Q)**

Land Use Category	Total Area		Minimum Amount per RGP	Maximum Amount per RGP	Proposed (GFA)
	Minimum Required per RGP	Maximum Permitted per RGP			
	6,142,050				
Regional Office	70%	85%	1,719,774	5,220,743	850,000
Commercial Retail & Services	0	10%	0	614,205	24,000 (1)
Public & Civic (3)	5%	No maximum	307,103	No maximum	5,000
Public Parks & Open Space	10%	No maximum	614,205	No maximum	4,286,967
Non-Residential (0.4 FAR - 1.0 FAR)	40%	100%	2,456,820	6,142,050	879,000
Total GFA					879,000

1. Non-Hotel Commercial Uses
2. Hotel Uses
3. Civic Space will be provided in conformance with the applicable proffer statement

KINCORA PD-MUB DISTRICT ANALYSIS

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<u>CATEGORY</u>	<u>PD-MUB REQUIREMENT</u>	<u>KINCORA</u>
SIZE	25 acre minimum	336.6 acres
USE	EMPLOYMENT	2,096,010 s.f. min. (40 % of GFA)
	COMMERCIAL	262,001 s.f. min. (5% of GFA)
	RESIDENTIAL	524,002 s.f. min. (10% of GFA)
	PUBLIC/CIVIC/INSTITUTIONAL	262,001 s.f. min. (5% of GFA)
	PARKS & OPEN SPACE	33.66 acres min. (10% of site area)
Total GFA	--	5,240,025 s.f.
CENTRAL PLAZA	10,000 s.f. min.	100,000 s.f.
FAR	0.5 max excluding incentives; 1.0 including satisfaction of incentives	0.8 including satisfaction of incentives; 0.73 excluding permitted uses (full service hotel and performing arts center)
RESIDENTIAL DENSITY	16 du/ac max.	9.3 du/ac

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CAPITAL FACILITIES CONTRIBUTIONS**

KINCORA CAPITAL FACILITIES IMPACT (\$23,758 x 1172 market rate units)	\$27,844,376
KINCORA PROFFERED CAPITAL FACILITY CREDIT	\$53,482,504
Fire and Rescue site (\$650,000 x 5 acres)	\$ 3,250,000
Grading of Fire and Rescue Site	\$ 497,720
Trails 15,180 LF within floodplain x \$11.27/LF 1,124 LF boardwalk within floodplain x \$500/LF 6,116 LF along Pacific Blvd x \$27.78/LF 1,170 LF along Gloucester Pkwy x \$27.78/LF	\$ 935,484
Gloucester Pkwy Crossing of Broad Run/extension to Loudoun County Pkwy	\$31,994,650
Pacific Blvd Crossing of Broad Run/extension to Russell Branch Pkwy	\$11,019,650
Broad Run Floodplain Dedication (\$650,000 x 89 acres x 0.10)	\$ 5,785,000

	PHASE 1	PHASE 2	PHASE 3	TOTAL
USE				
Office (s.f.)	350,000	1,050,000	1,322,200	2,722,200
<i>Keynote Office</i>	<i>150,000 min.</i>	<i>650,000 min.</i>	<i>1,100,000 min.</i>	<i>1,900,000 min.</i>
Retail (s.f.)	195,000	105,000	93,825	393,825
<i>Employment Supportive Retail</i>	<i>100,000, min.</i>	<i>80,000 min.</i>	<i>20,000 min.</i>	<i>200,000 min.</i>
Hotel (s.f.)	150,000	325,000		475,000
TOTAL NON-RESIDENTIAL (s.f.)	700,000 min.	1,600,000 min.	1,396,025 max.	3,696,025 max.
Residential Units				
<i>Market Rate</i>	<i>550</i>	<i>75</i>	<i>247</i>	<i>872</i>
<i>Market Rate Units subject to baseball stadium</i>	<i>150</i>	<i>150</i>	<i>--</i>	<i>300</i>
<i>ADUs/Workforce Dwelling Units</i>	<i>96</i>	<i>75</i>	<i>57</i>	<i>228</i>
TOTAL RESIDENTIAL	796	300	304	1,400
TOTAL (s.f.)	1,557,874	1,931,057	1,751,094	5,240,025