Peter's Take: Arlington Flying Blind in Planning for Critical Infrastructure
Peter Rousselot January 27, 2021 at 3:00pm

Peter's Take is a biweekly opinion column. The views expressed are solely the author's.

Arlington is flying blind regarding the costs of future critical capital expenses, including seats to accommodate APS enrollment growth and the increase in the ratio of Arlington's population to permeable green space available for parks and storm water absorption.

The County Manager has warned correctly that our budget is under severe stress from COVID-19 impacts, and some of these impacts may be transformational.

The Manager has concluded that it is too difficult to engage in long-range fiscal planning in these dire circumstances. But during five pre-COVID-19 years, he resisted utilizing fiscal planning tools to measure development costs versus anticipated revenues.

The Manager recently revealed that County government is working to develop a model to measure fiscal impacts of development–but only by retroactively combining many different projects. It's unclear whether this model will enable prospective measurement of the fiscal impacts of any single project or how useful it will be otherwise.

Merion Pike West project demonstrates the utility of advance single-project analysis
In November 2020, the County Board unanimously approved Phase 1 of the Merion Pike West site-plan development at 843 S. Greenbrier St.

The Board authorized the developer to build new apartment buildings containing 400 units. The new buildings will replace older buildings containing 90 market-rate-affordable units.

Local consultant Arlington Analytics prepared a fiscal analysis of this project, concluding:

- This development will increase county spending $32-$37 million between 2022 and 2031.
- The bulk of this new spending arises from the incremental cost of educating just over 100 additional APS students.
- Incremental revenues, principally from real estate taxes, will increase by about $14.5 million over the same time period due to the higher assessed value of the property.
- The County will need to tap revenues from other sources between $17 and $23 million through 2031 to cover the anticipated budget shortfall.

As part of the Board's review of the project, this fiscal analysis was presented by Arlingtonians for Our Sustainable Future (ASF). Both staff and Board disregarded the conclusions, and did not present any comparable County government analysis because Arlington doesn't engage in this type of planning.

Arlington needs to adopt new planning tools to ensure its sustainable future, and pump the brakes on gentrification.

Neighboring Virginia jurisdictions do better than Arlington in development planning
Like ASF does now, Arlington's Community Facilities Study Group recommended (Rec. 12 at p.16) advance fiscal impact statements in 2015. That recommendation was never implemented.

Neighboring Virginia jurisdictions have used advance fiscal impact development planning for many years under their proffer systems. Examples include the City of Falls Church, Fairfax County, Stafford County, and Loudoun County. Falls Church has used the TischlerBise fiscal impact model for more than 15 years.

Their proffer systems provide better development planning than Arlington because they feature a wider range of community benefits from developers. Their proffer systems allow our neighboring jurisdictions to elicit direct cash payments from developers to help:

- reduce the cost to taxpayers of school enrollment growth.
- acquire green space located away from the development site.

County Board should release existing legal memorandum on impact statements
The County Board should release for Arlington community evaluation a 2018 County Attorney legal memorandum which supposedly compares our current site-plan system with our neighbors' proffer systems.

Large, multi-family residential projects generate more costs than revenues
Multiple studies demonstrate that new, large multi-unit residential projects generate more new costs than new revenues.
A comprehensive "cost of community services" survey of 125 jurisdictions nationwide found that the mean ratio was $1.18 of incremental costs incurred compared to every $1.00 of incremental revenues generated (at p. 392).

This study's results were corroborated for Arlington's new, large multi-unit residential projects by noted GMU economist Dr. Stephen Fuller in a November 2018 Amazon Arlington HQ-2 fiscal impact study (at Table 6, p.11).

Conclusion
As crucial first steps toward our sustainable future, the County Board should:

- publish new long-range operating budget forecasts ASAP.
- involve the community in the design of the Manager's new development impact model to ensure it contains a prospective capability.
- seek state legislative authority to establish a proffer system broadening the legal circumstances in which developers can provide community benefits.

Peter Rousselot previously served as Chair of the Fiscal Affairs Advisory Commission (FAAC) to the Arlington County Board and as Co-Chair of the Advisory Council on Instruction (ACI) to the

Arlington School Board. He is also a former Chair of the Arlington County Democratic Committee (ACDC) and a former member of the Central Committee of the Democratic Party of Virginia (DPVA). He currently serves as a board member of the Together Virginia PAC, a political action committee dedicated to identifying, helping and advising Democratic candidates in rural Virginia.

https://sites.google.com/view/arlingtonviewcivicassociation/issues-facing-our-neighborhoodhttps://sites.google.com/view/arlingtonviewcivicassociation/issues