



2018 STRATEGIC PLAN

VIENNA AS AN ECONOMICALLY SUSTAINABLE COMMUNITY

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Introduction

The Town of Vienna has enjoyed increasing tax assessments to support operations for the past six years. This has enabled Council to lower or hold the tax rate steady during that time period. Council has stated an objective to hold steady or lower the real estate tax rate. However, the rising assessment scenario is not a given. The county's forecast is less positive for future increases in assessed values, and a downturn is certainly possible after a long period of economic expansion. The Town has attempted to guide and improve commercial development through the Church Street Vision and Maple Avenue Corridor projects, and has been fortunate that some development has occurred. In order to direct and encourage commercial development to keep the Town vibrant and interesting and to shift some of the tax burden from residents to the commercial sector, it is time for the Town to invest resources in economic development to keep the Town economically sustainable.

Background

According to the 2015 Comprehensive Plan, by the 1970s the residential areas of the Town were mostly built out. In recent years, these small homes have steadily been replaced by much larger, more expensive homes. This helped increase property taxes, which has had a positive effect on revenue.

Development of Tyson's Corner, with the addition of the Silver Line, has increased demand for commercial retail and restaurants. Vienna has benefitted by this and many commercial properties have been converted, bringing in popular food chains and unique eateries.

Council and staff have addressed zoning issues in the two central business corridors in an attempt to spur and direct commercial development.

Church Street Commercial Corridor

Church Street has long been considered the traditional “Main Street” of Vienna. As such, significant effort has been placed in supporting the success and vitality of the corridor. The C-1B Pedestrian Commercial zoning district, created in 1997 and amended in 1999, provides incentives for property owners to redevelop their property in accordance with architectural guidelines. These architectural guidelines promote “main street urban architecture which is reminiscent of the small-town American streetscape of the late 19th Century.” Four projects have been completed to date.

Maple Avenue Commercial Corridor

Much of Maple Avenue consists of 1960s and 1970s era strip commercial in need of redevelopment. To this end many studies have been prepared illustrating the corridor’s redevelopment potential.

A 17-member Steering Committee was created by the Mayor in 2013 and charged with providing stakeholder review and comment on the background information that would define the appropriate elements of a mixed-use zoning ordinance for the current commercially zoned portion of Maple Avenue. Through this process, a voluntary zoning overlay district was created for the Maple Avenue Commercial (MAC) corridor and was adopted by Town Council in the fall of 2014, amended in 2017. The new district supports mixed-use development, including ground floor retail and office space, with residential and other uses on upper floors. The MAC zoning district seeks to create a vibrant, dynamic, and distinctive ambiance in which residents of the Town and the business community can take pride. The MAC supports redevelopment that is pedestrian-oriented and compliments and enhances the new streetscape improvements.

These two zoning ordinances are a positive first step in guiding commercial development in a manner that is vibrant, but still maintains the Town’s coveted small-town feel.

Current Situation

Development of the first four Church Street vision projects such as the building housing Red Galanga, the Bazin's building, and the new Arrington building have added dynamic new businesses to the Church Street corridor. Those businesses, the Town's active population, plus proximity to the W&OD trail give Vienna a great start to attract upscale businesses and drive activity in the corridor.

On Maple Avenue, the situation is not as positive yet, as MAC projects are just starting to come before Council for approval. The challenges on Maple Avenue include the length of the corridor (1.5 miles), the width of Maple Avenue (5 lanes), volume of traffic on Maple, and the lack of adequate crossing signals in various parts of the corridor. Walking from place to place on Maple is not easy. Many of the current shopping center owners have owned their properties for a long time. Meeting the mortgage is not a consideration for many of these properties, so owners have limited incentive to develop or fill vacancies quickly. Vacancies dot the corridor, some for extended time periods. Exhibit 1 shows a list as of March 2018 from the website Showcase.com of some of the vacancies in zip code 22180. This is only a sub-set of the vacant properties.

There are positive factors to the current situation. Vienna's location just outside the beltway and 12 miles from Washington, DC gives it an excellent location. Access to Metro, bus lines, I-66, and the W&OD trail allow for good accessibility. The local government is well-managed and provides residents with extra services they feel are a good trade-off for the additional tax assessment. Some examples of this high service level offered by staff is in Exhibit 2. The Town Business Liaison Committee (TBLC) and Vienna Business Association (VBA) have energized leadership and are ready to support new businesses. The interest in residential re-development highlights interest in locating to Vienna and is driving up the average home value (Exhibit 3). However, these new arrivals will expect more services from the business district.

Conversely, there are restraining factors limiting Vienna's economic sustainability. There is no signage pointing the way to the two business districts or to interesting businesses. The Town has new branding, but it hasn't been leveraged to generate excitement or development. The commercial vacancy rate is a negative factor. Commercial business trends are undergoing an upheaval nationwide as online sales and big box stores generate more business, making the traditional retail model less attractive. Office space is overbuilt in Fairfax County, and Vienna doesn't have many opportunities or locations to attract a business center. With the lack of any resources devoted to economic development this is unlikely to change.

Trends toward walkable communities are evident when comparing places like Old Town Alexandria, Leesburg, Culpeper, and Old Town Manassas to Vienna. Vienna lacks a "walkable" district with centralized parking and businesses that draw people to Vienna to spend an afternoon or evening. Popular spots such as the Caboose and Bey Lounge prove that Vienna is a desirable location, but developers don't seem to know that. Leveraging commercial properties around the Town Green and along Church Street and developing a mechanism to promote the Town are key to these factors.

The Town Green, a wonderful centrally located venue, gets very little daily use. People use it when there is a concert or special event, but have no reason to go there otherwise. Attracting developers to the commercial properties around the Town Green is crucial.

Within walking distance of the Town Green along the W&OD trail are opportunities for family-oriented recreational activities. Continuing to expand on the community center's development will draw people to the area as well. A pool, fitness center, skate-park, picnic facilities, and other family-friendly features will attract families who will spend their time (and tax dollars) here. Providing sources of public parking will encourage a "park once, shop, and eat a lot" mentality to increase commercial traffic.

Additionally, working closely with Fairfax County on the library redevelopment project, including parking and an arts space, is also crucial.

The zoning code, which has the largest impact on development allowed, is outdated and does not match the type of development that is desired by the Town, nor does it match the type of development driven by current market forces. Lastly, the fact that 80% of real estate assessment is residential forces a higher portion of the tax burden to residents. So far it has sustained the Town at a level tax rate, but that is not a valid long-term assumption. The business sector must be developed and improved in order for the Town to have long-term economic stability and to be a great place to live and work in. That will take a focus on economic development.

To evaluate what service gaps may exist between citizen expectations of the Town and the service levels provided, there was some relevant feedback regarding economic sustainability in the Town citizen surveys performed in 2014 and 2016. In the 2014 survey, while 87% of respondents felt that the Town gave good overall value for tax dollars, a major finding of the survey was citizen concern that the Town was adequately preparing for the future. Furthermore, 23% rated the Town below average as a place to shop, and 75% believe the Town should offer incentives for redevelopment of existing commercial buildings and shopping centers. Residents were open to mixed commercial and residential developments filling a need. 44% would like to see the Town's land use be aimed toward mixed residential and commercial properties.

The 2016 survey illustrated the importance residents place in development as 89% of survey respondents felt that it was important for the Town to adopt economic development strategies to sustain/enhance downtown retail/commercial areas. Also important for the future were encouraging mixed-use development on Maple Avenue (75%) and enhancing facilities through public art (57%). Addressing these concerns will take some resources.

Key Measurements

There is much data available in the statistical section of the annual financial report and other documents to design key measurements to quantify improvements in economic development. First, numbers of businesses by type is shown in Exhibits 4 and 5 to help understand the composition of the central business districts. Next, critical measurements can include:

1. Increases in assessed real estate values, both commercial and residential. Is commercial increasing as a percent of total? Exhibit 6.
2. Growth in business license and meals tax revenues. Exhibit 7.
3. Growth in number of restaurants and meals taxes. Exhibit 8.
4. Commercial vacancy rate (a source needs to be developed)

These measurements indicate the growth and economic direction in the business community. Increases indicate strength and sustainability. Decreases indicate a declining condition and need for action to shore up economic sustainability.

Additionally, Falls Church has developed a financial reporting scorecard that underscores the economic possibilities from commercial redevelopment (Exhibits 9 and 10). New mixed-use development projects must calculate the expected increases in taxes generated. The City reports periodically on the actual results, which have been more favorable than forecasted.

Suggested Strategies

The group met with several key people to gather ideas for how to move forward to improve economic sustainability in the Town. Almost all these ideas will add to the tax base and have the added effect of making the Town a more vibrant community. A more vibrant community will attract more

interest from different businesses and from new residents. The outcome will be a more robust economic engine that drives investment and lessens the tax burden on citizens.

Through our research, we found that all the surrounding localities except for Vienna had an economic development function (Exhibit 11). Through careful work on zoning ordinances and the good location and features of Vienna, the Town has been lucky for development to proceed so far. We suggest the following plan of action to secure economic sustainability:

Step 1: FY 2018-19

- Develop a task force
- Work with residents, businesses, TLBC ,and VBA to develop a vision
- Bring vision to Council for approval
- Fund a market study to identify trends and needs after vision developed, estimate \$35,000, one-time expenditure
- Start to implement as many free or low-cost ideas as possible that fit in the vision

Step 2: Beginning as early as FY 2018-19: Implement free or low cost ideas:

- Start task force - begin with volunteers and Council and staff appointees
- Link on web site to Showcase.com to highlight and market vacant commercial properties
- Increase social media promotion
- Articles in Washington Post, Washingtonian, and other TV outlets
- Add list of businesses in Town to Mayor's welcome letter. VBA could provide member list and coupons
- Restaurant week promotion
- Good wayfinding signage on Maple, Church, and the bike path that incorporates branding
- "Passport to Vienna" contest (get your passport stamped, win a prize from businesses)
- Mayor and other staff (TBLC, VBA, Town Manager) visit businesses in Vienna during business appreciation month and thank them
- List of businesses, signs, and information in Town Hall for new residents to see and pick up
- Engage local high school students to create marketing content and cable TV content to generate excitement
- Public art engaging the community; performance space as well as visual art
- Pop-up public art functions in vacant commercial space
- Sponsored Uber stops in Town
- Uber discount in local stores
- Partner with VBA – especially policy committee
- Discuss opportunities for Vienna promotion by the Fairfax County Economic Development Authority (FCEDA)

- Leverage opportunities with Tyson's Partnership
- Social media contests – snap picture of what Vienna has to offer and display on the website or social media
- Storefront decorating contest linked to the Halloween parade
- More and better use of the Town Green – meal truck events; Screen on the Green to feature sporting or other “event” television besides movies
- Build excitement and interest through events and social media

Step 3: Dedicate resources to Economic Development FY 2019-20 and beyond

- Convert task force into Economic Development committee. Pay stipends similar to other committees - \$5,000 - \$8,000 annually for one chair and six members.
- Bring Economic Development coordinator on board to work with committee and implement strategies - \$150,000 annually in salary, benefits and networking funds.

Longer-Term Strategies and Visions

- Update the zoning code
- Structure development around a gathering place
- Public parking structure with adequate signage
- Space/ exhibits to engage kids; examples: large Jenga or chess set; splash pad on Town Green
- Add more recreation facilities to CIP: skate-park, pool
- With parking at the library, can expand youth sports to tournaments, etc.
- Banners on Maple and Church advertising shop local
- Trolley to / from metro and Tyson's
- Restaurant week with promotion effort
- Micro-manufacturing
- Business incubation labs
- Hotel with conference center
- Amenities for retirees who want to stay in Vienna
- Education - training academy – work with high schools
- Encourage tourism. Get a Town feature in the “Visit Fairfax” brochure
- Business incentives (tax breaks) to locate here
- “Where to eat”, “Where to shop” in Vienna in a brochure and on the website
- “You are here” maps
- Business improvement district
- Earmark revenues for undergrounding utilities to make commercial space more attractive

Funding possibilities

- Start a 501 (C)(3) to get grant funding (Virginia main street)
- I-66 funds
- Fairfax County ESDF funds

Conclusion

With its close proximity to DC and Tyson's Corner, the advantage of Metro stops on each end of Town, a portion of the W&OD trail running through the center of Town, and the Town's commitment to providing outstanding services to its residents, Vienna has the potential to become the location of choice in the DMV. Careful research and planning are imperative to attracting developers willing to invest in Vienna's future. There are cost-effective strategies immediately available, but creating economic viability and sustainability moving forward will require an investment and a dedication to look beyond what has been done in the past, to survey the trends moving forward, and to evolve with the changing times, all while keeping an eye on our heritage. Providing opportunities for redeveloping the Town into an economically sustainable community will enhance its charm and bring in visitors looking for a small-town, communal experience. The revenue gained from commercial redevelopment will benefit residents through a reduced tax burden, improved recreational facilities and services, and expand their overall quality of life.