STAFFORD
Virginia

Community & Economic Development Committee Meeting AGENDA

July 5, 2017 – 12:00 Noon
Conference Room A/B/C, Second Floor

Committee Members: Chairman Bob Thomas, Wendy Maurer, Gary Snellings

	Agenda Item
1.	Proposed Amendment Definition of Drive Thru facilities
2.	Provide a Definition of Internet Sales in the Zoning Ordinance
3	Amend the Zoning Ordinance to Define Free Standing Emergency Rooms
4.	Authorize Readiness and Environmental Protection Integration (REPI) Deed of Easement and Application for Various Matching Funds
5.	Discuss the Aquia Town Center Memorandum of Understanding for an Incremental Tax Return Incentive
	Next CEDC meeting is scheduled for September 5, 2017

CEDC07052017agenda

STAFFORD Virginia

Project Name: Drive –through facilities

Date Presented to the CEDC: July 5, 2017

Current Situation

- The definition for a bank drive through states a bank may include drive-through facilities
- A drive through facility in HCOD requires approval of a conditional use permit
- When a bank is in the HCOD, applicants can be confused of why a conditional permit is needed
- The Board has shown a preference to have a CUP for all drive-through facilities

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Proposed End State

- Amend the Zoning Ordinance to remove drive-through facility from bank definition
- Amend Zoning Ordinance to list drive-through as a use permitted by conditional use permit in all districts that allow for business.

Request for the CEDC Committee/Board of Supervisors

- Staff would like the CEDC to recommend the Board send this to the Planning Commission to amend the zoning ordinance

Benefits to the County

- The ordinance amendment would establish a uniform approval process for a drive-through facility within the county.

George Washington's Boyhood Home

Drive-thru information

Sec. 28-25. – Definitions of specific terms

Bank (lending institution). An establishment that provides retail banking services, mortgage lending, or similar financial services to individuals and businesses. Banks include those establishments engaged in the on-site circulation of cash money and check-cashing facilities, but shall not include bail bond brokers, pay-day lending, or title loan establishments. Banks may also provide automated teller machines (ATM) services, located within a fully enclosed space or building, or along an exterior building wall intended to serve walk-up customers only. Banks may include drive-through facilities

Drive-through. A facility designed to enable a person to transact business or order and pick up food while remaining in a motor vehicle

- *Restaurant (café).* An establishment, other than a licensed farm winery or bed and breakfast establishment as defined in Code of Virginia, § 4.1-100, or a cider press and store selling cider pursuant to a farm winery license, which provides as a principal use, the sale of food, frozen desserts, and/or beverages in a state ready for consumption within the establishment.

Restaurant, delivery. A restaurant which conducts off-premises deliveries.

Restaurant, fast-food. A restaurant where the principal activity is the sale of pre-prepared or rapidly prepared food from a window or walk-up counter directly to the customer in a ready to consume state for consumption within the restaurant or off-premises.

Restaurant, sit-down. A restaurant where the prepared food is delivered to a table by waitstaff for consumption on-premises by the customer without the option of off-premises.

Sec. 28-59. - Highway Corridor Overlay District (HC).

(a) *Purpose of the HC.* In furtherance of the purposes set forth in Code of Virginia, §§ 15.2-2280, 15.2-2283, 15.2-2284 and 15.2-2285, and in general to protect the health, safety and general welfare of the public by the prevention or reduction of traffic congestion, and distracting visual clutter which may result in danger on the public and private streets, a limitation is hereby placed on certain automobile-oriented, fast service, quick turnover uses and related signage, which generate traffic in such amount and in such manner as to present the possibility of increased danger to the motoring public and other impediments to safe travel. This district is created in recognition of the need to provide suitable and sufficient road systems in the county and the need to protect existing and future highways from unsafe use.

(b) *Establishment of districts.* The Highway Corridor Overlay District (HC) shall be designated by the board of supervisors by separate ordinance and will overlay all other zoning districts where it is applied so that any parcel of land lying in a HC shall also lie within one or more other land use districts provided for by this chapter. The regulations and requirements of both the underlying district(s) and the HC shall apply; provided, however, that when the regulations applicable to the HC conflict with the regulations of the underlying district, the more restrictive regulations shall apply.

(c) *District boundaries.*

(1) HC boundaries shall be designated on the official zoning map as ordained by Ordinances O95-57, O96-23 and amended by O98-27, O96-24, O98-30, O01-29, and O01-37 establishing the boundaries of the overlay district, pursuant to article XII, Amendments to Zoning Maps.

(2) The district boundaries will be described as follows:

a. Length of the district shall be established by fixing points of beginning and end in the centerline of a street.

b. Width will be established by designation of the distance on one or both sides from the centerline to which the overlay district shall extend; or, by a description of coterminous property boundaries of lots along such street, or highway; or, by using visible geographic features.

The HC zoning district shall be established and overlay all other zoning districts, except HI districts, on all parcels of land within the below described area:

Beginning at a point at the centerline of Cambridge Street, extending five hundred (500) feet east from the centerline of Cambridge Street at the intersection with the centerline of Truslow Road; thence continuing in a northerly direction parallel to the centerline of Cambridge Street to a point where Cambridge Street becomes Jefferson Davis Highway; thence along Jefferson Davis Highway continuing in a northerly direction parallel to the centerline of Jefferson Davis Highway to a point at the centerline of Courthouse Road; thence continuing in a westerly direction along the centerline of Courthouse Road to five hundred (500) feet west of the centerline of Jefferson Davis Highway; thence continuing in a southerly direction from the centerline of Courthouse Road, parallel to the centerline of Jefferson Davis Highway to a point where Jefferson Davis Highway becomes Cambridge Street; thence continuing in a southerly direction along Cambridge Street to the centerline of Truslow Road; thence, extending along the centerline of Truslow Road to the point of beginning; encompassing all or part of the parcels listed on Attachment A, attached hereto, as shown on the map entitled "Proposed Route 1 Highway Corridor Overlay District" dated December, 2001, made by the Stafford County Department of Planning and Community Development, a copy of which shall be added to and become part of the Official Zoning Map of Stafford County.

(d) *Uses permitted by right.* All uses permitted by right in the underlying land use district(s), shall be permitted by right in the HC unless otherwise specifically made a conditional use by this section.

(e) *Conditional uses.* In addition to the listed uses requiring a conditional use permit (as listed in Table 3.1) in the underlying district, the following uses shall require a conditional use permit when proposed to be established in a HC:

(1) Car washes, self-service and automated.

(2) Funeral chapel, funeral home, or mortuary.

(3) Convenience stores.

(4) Theaters, arenas, or auditoriums.

(5) Recreational enterprise.

(6) Hotels or motels.

(7) Hospitals.

(8) Motor vehicle fuel sales.

(9) Automobile repair.

(10) Any uses which include drive-through facilities.

(f) *Development standards.* All nonresidential uses shall be subject to the use limitations and development standards set forth in the underlying land use district(s) and, in addition, shall be subject to the following HC limitations:

(1) Access and internal circulation shall be designed so as not to impede traffic on a public street. To such end, access via the following means will be approved:

a. By provisions of shared entrances, interparcel connection and travelways, or on-site service drives connecting adjacent properties.

b. By access from a secondary public street as opposed to the corridor highway.

c. By the internal streets of a commercial, office, or industrial complex.

Developers of all parcels or lots within the HC shall submit an access and internal circulation plan to the county for approval which addresses access for the project and the surrounding area.

The access plan shall demonstrate the ability to provide adequate access to surrounding properties via cross-easement agreement(s), shared entrances, interparcel connections and travelways, on-site service drives connecting adjacent properties, and/or access by secondary public streets.

(2) Pedestrian circulation shall be provided for and coordinated with that generated from or using adjacent properties.

a. The requirement for the provision of pedestrian circulation for the development of any parcels abutted on both sides along its road frontage to undeveloped parcels may, at the option of the county administrator, be satisfied by the execution and recordation of a sidewalk security agreement between the owner of the property and the county administrator to be prepared by the director of planning. The agreement shall provide for payment of one hundred twenty-five (125) percent of the amount of an engineer's certified cost estimate of the construction of the required sidewalk(s) at the time of permits or by monthly installments during a term not to exceed thirty-six (36) months and shall contain appropriate provisions for acceleration upon the sale or transfer of the property or upon a breach of the terms of the agreement. Payments made pursuant to this section shall also include an administrative fee of one hundred dollars ($100.00) which shall be payable at the time of the execution of the sidewalk security agreement.

b. The requirement for the provision of pedestrian circulation for the development of any parcels abutted on both sides along its road frontage to undeveloped parcels may, at the option of the planning director (agent) or his designee, be satisfied by a payment in lieu of constructing the required pedestrian circulation. The payment shall be in the amount of an engineer's certified cost estimate of the construction of the required sidewalk(s) that is deemed to be acceptable by the agent. Such payment shall be made at the time of permits. The payment shall be deposited in an account designated for pedestrian circulation improvements along the corridor highway that serves the property.

(3) Outdoor storage of goods shall be completely screened from view of the corridor highway. Outdoor storage shall include the parking of company owned and operated vehicles, with the exception of passenger vehicles. Outdoor display areas shall not encroach into any required front yard, with the exception that outdoor display areas may extend fifteen (15) feet from the building front; however, in no case shall outdoor display areas be permitted less than fifteen (15) feet from the street right-of-way.

(4) Parking areas and driveways shall be paved with concrete, bituminous concrete, or other similar material except for low-impact development sites in accordance with the provisions of chapter 21.5 of this Code where pervious paving blocks and other similar materials may be allowed as approved by the agent. Surface treated parking areas and drives shall be prohibited. Concrete curb and gutter shall be installed around the perimeter of all driveways and parking areas, except that concrete curb without a gutter may be permitted where drainage is designed to flow away from the curb, and asphalt curb may be permitted where the property adjacent to a travel lane is undeveloped. Drainage shall be designed so as to not interfere with pedestrian traffic.

(5) Where parking is designed to be located in the front yard setback of the corridor highway, a berm shall be utilized within a designated street buffer. Where no berm is proposed within a designated street buffer, whenever possible, parking areas shall be located to the rear or side of the structure(s) or building(s) they are intended to serve.

(6) Utility lines such as electric, telephone, cable television, or similar lines shall be installed underground. This requirement shall apply to lines serving individual sites as well as to utility lines necessary within the project. All junction and access boxes shall be screened. All utility pad fixtures and meters shall be shown on the site plan. The necessity for utility connections, meter boxes, etc., should be recognized and integrated with the architectural elements of the site plan.

(7) Loading areas, service entrances, and service bays shall be oriented and/or screened so as to not be visible from the corridor highway.

(8) Dumpster and other waste disposal or storage areas shall be completely screened from the public view by means of a board-on-board fence and/or landscaping, or similar opaque material approved by the zoning administrator.

(9) Architectural treatment shall be designed so that all building facades of the same building (whether front, side or rear) will consist of similar architectural treatment in terms of materials, quality, appearance, and detail pursuant to the neighborhood design standards plan element of the comprehensive plan. No facade portion of a building constructed of unadorned cinderblock, corrugated metal or sheet metal shall be visible from the corridor highway. Mechanical equipment shall be shielded and screened from public view and designed to be perceived as an integral part of the building.

(10) Area and bulk regulations in the HC shall be the same as for the underlying land use district(s), except that: The height of buildings or structures within seventy-five (75) feet of the corridor highway shall not exceed two (2) stories or thirty (30) feet, whichever is less; and where parking areas are provided in a manner such that the structure or building is located between the parking area and the corridor highway, the applicable setback requirement may, at the option of the applicant, be reduced to fifty (50) percent of that otherwise required for the underlying district.

(11) A landscaping and planting plan shall be submitted in conjunction with site plan submittal. Such landscaping and planting plan shall be drawn to scale, including dimensions and distances, and clearly delineate all existing and proposed parking spaces or other vehicle areas, access aisles, driveways, and the location, size, and description of all landscaping materials and areas.

Landscaping and planting plans shall be prepared by persons practicing in their area of competence.

All plant materials shall be living and in a healthy condition. Plant materials used in conformance with the provisions of these specifications shall conform to the standards of the most recent edition of the "American Standard for Nursery Stock," published by the American Association of Nurserymen.

Preservation of existing trees is encouraged to provide continuity, improved buffering ability; pleasing scale and image along the corridor. Any healthy, existing tree on-site may be included for credit towards the requirements of this section.

The owner, or his designee, shall be responsible for the maintenance, repair, and replacement of all landscaping materials as may be required or approved within the scope of these provisions.

(12) Redevelopment or expansion of structures or uses that were in existence prior to the adoption of the HC district and where the square footage of any addition to a structure shall not be more than the square footage of the primary structure shall be exempt from the provisions of subsections 28-59(f)(5), (6) and (9); provided that such redevelopment shall not result in an increase of outside storage area or display on the undeveloped site.

(g) *Reserved.*

(Ord. No. 094-29, § 28-409, 8-9-94; Ord. No. 095-11, 3-7-95; Ord. No. 095-21, 3-21-95; Ord. No. 095-22, 3-21-95; Ord. No. 095-58, 9-5-95; Ord. No. 096-23, 7-23-96; Ord. No. 096-24, 7-23-96; Ord. No. 096-51, 10-15-96; Ord. No. 098-27, 4-21-98; Ord. No. 098-30, 5-5-98; Ord. No. 098-42, 6-2-98; Ord. No. 099-32, 6-15-99; Ord. No. 000-19, 2-15-00; Ord. No. 000-25, 5-16-00; Ord. No. 001-29, 6-5-01; Ord. No. 001-37, 12-11-01; Ord. No. 003-26, 6-17-03; Ord. No. O08-02, 5-6-08; Ord. No. O13-23, 6-4-13)

STAFFORD Virginia

Project Name: Ecommerce

Date Presented to the CEDC: July 5, 2017

Current Situation

- E-Commerce or Internet sales is an evolving way of selling and purchasing merchandise
- E-Commerce often includes- Auto dealers, firearm transfers, general merchandise, etc
- Definition of retail sales: To sell in small quantities directly to customers for their own use.
- There is no definition for e-commerce in the zoning ordinance
- The definition of e-commerce may affect the definitions for home business, auto dealers, merchants etc

Proposed End State

- The Ordinance would amend Sec. 28-25 , Definitions of specific terms to create a definition for e-commerce
- Other amendments to the zoning ordinance to clarify the use of e-commerce and retail sales in the exchange of goods and services for business uses listed in the zoning ordinance

Request for the CEDC Committee/Board of Supervisors

- Staff requests the CEDC to recommend the Board send this issue to the Planning Commission for their consideration of the following:
  - Create a definition of e-commerce
  - Clarify how e-commerce would be permitted in all uses permitting the exchange of goods and services
  - This could include amendments to several uses listed in the zoning ordinance

Benefits to the County

- The ordinance amendment would create a definition for e-commerce
- This will clarify the handling and dispersing of merchandise in the businesses allowed in the zoning ordinance
- Potentially allowing for more flexibility for businesses opportunities in the county

George Washington's Boyhood Home

Wikipedia

e-commerce is a transaction of buying or selling online. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle although it may also use other technologies such as e-mail.

e-commerce businesses may employ some or all of the following:

- Online shopping web sites for retail sales direct to consumers
- Providing or participating in online marketplaces, which process third-party business-to-consumer or consumer-to-consumer sales
- Business-to-business buying and selling
- Gathering and using demographic data through web contacts and social media
- Business-to-business (B2B) electronic data interchange
- Marketing to prospective and established customers by e-mail or fax (for example, with newsletters)
- Engaging in retail for launching new products and services
- Online financial exchanges for currency exchanges or trading purposes

Websters on line dictionary

Definition of *e–commerce*

1. commerce conducted via the Internet
2. activities that relate to the buying and selling of goods and services over the Internet

Law Dictionary:

What is ELECTRONIC COMMERCE (E-COMMERCE)? Definition of ELECTRONIC COMMERCE (E-COMMERCE) (Black's Law Dictionary)

Business conducted without the exchange of paper based documents through the use of electronic and/or online devices. It includes activities such as procurement, order entry, transaction processing, payment, authentication and nonrepudiation, inventory control, order fulfillment, and customer support. The general public participates in ecommerce, almost unknowingly these days. Ecommerce devices include computers, telephones, fax machines, barcode readers, credit cards, automated teller machines (ATM) or other electronic appliances, whether or not using the internet.

Project Name: Free Standing Emergency Departments Date Presented to the CEDC: July 5, 2017

Current Situation

- The zoning ordinance defines a Medical Clinic as a use that is not licensed by VDH
- The zoning ordinance defines a Hospital as a use that requires a license by VDH
- A free standing emergency department (FSED) is not a listed use in the zoning ordinance at this time
- Since a FSED requires a license by VDH it is currently viewed as a hospital
- Zoning Ordinance requires an approved conditional use permit for a hospital; therefore a FSED also requires a CUP to operate
- Since there is no specific definition for a FSED, this determination has been challenged

Proposed End State

- Amend the Zoning Ordinance to define FSED
- Amend the Zoning Ordinance to specify the type of use, permitted by right or by conditional use permit and where it is allowed

Request for the CEDC Committee/Board of Supervisors

- Consider requesting the Board to send this issue to the Planning Commission to draft an ordinance to create a definition for FSED which requires a CUP
- Alternatively the PC may amend the definition of a Hospital to include such operations as a FSED

Benefits to the County

- The ordinance amendment would create a definition and designate the process for approving such facilities
- This would alleviate any confusion and make the process more transparent

Sec. 28-25. - *Definitions* of specific terms.

Hospital. A facility licensed in accordance with the Code of Virginia in which the primary function is the provision of diagnosis, of treatment, and of medical and nursing services, surgical or nonsurgical, for two (2) or more nonrelated individuals, including hospitals known by varying nomenclature or designation such as children's hospitals, sanatoriums, sanitariums and general, acute, rehabilitation, chronic disease, short-term, long-term, outpatient surgical, and inpatient or outpatient maternity hospitals

Clinic, medical, dental or psychiatric. A room or group of rooms used for a medical, dental or psychiatric practice offering medical services on an outpatient basis, including in-house diagnostic testing facilities, medical counseling services, internal surgery, general anesthetics, and similar services, but not including overnight stay or treatment.

STAFFORD Virginia

Project Name: REPI Program   Date Presented to the CEDC: July 5, 2017

Current Situation

- The CEDC authorized potential acquisition of easements on two parcels through the Readiness and Environmental Protection Integration REPI program, utilizing PDR/Land Conservation funds in the amount of $674,150 and matching REPI funds
- DoD has allocated funds and authorized the County to move forward on Tax Map Parcel Nos. 17-23A, 23L and 25 (Sterne), and 19-47 (Jenkins)
- DoD has announced a new REPI application round, and the County has identified a third eligible property, Tax Map Parcel No. 22-19 (McClevey)
- PDR/Land Conservation funds in the amount of $826,891 will be available in FY2018
- Additional matching funds are available through Virginia Land Conservation Foundation (VLCF)

Proposed End State

- Negotiate and Execute Deeds of Conservation Easement on Tax Map Parcel Nos. 17-23A, 23L and 25, and 19-47
- Budget and Appropriate Federal Funds
- Authorize New Applications for Matching Funds on Tax Map Parcel No. 22-19 through REPI and VLCF

Request for the CEDC Committee/Board of Supervisors

- Request CEDC and Board to authorize negotiation and execution of deed of conservation easement on Tax Map Parcel Nos. 17-23A, 23L and 25, and 19-47, utilizing previously allocated PDR/Land Conservation funds in the amount of $674,150
- Budget and appropriate Federal funds in the amount of $674,150
- Authorize new application for REPI project on Tax Map Parcel No. 22-19 in the amount of $150,00 and apply for matching funds up to $450,00 through State and Federal agencies

Benefits to the County

- The REPI program allows property owners to receive compensation for retaining their land in agricultural/open space and limit future residential development.
- The REPI program enables retention of open space lands outside the Urban Services Area, thereby reducing the costs of infrastructure and public services to the Agricultural/Rural areas.
- The REPI and VLCF programs leverage County funds

Due to the limited time for CEDC Meetings, please limit the salient points of your presentation to this single slide. Backup slides may be submitted for additional reference but may or may not be reviewed during the presentation. We ask that presenters limit their presentations to 10 minutes or less.

George Washington's Boyhood Home

SUMMARY OF DEPARTMENT OF DEFENSE READINESS AND ENVIRONMENTAL PROTECTION INTEGRATION (REPI) PROGRAM PROPERTIES

Sterne Property (Hartwood Election District)

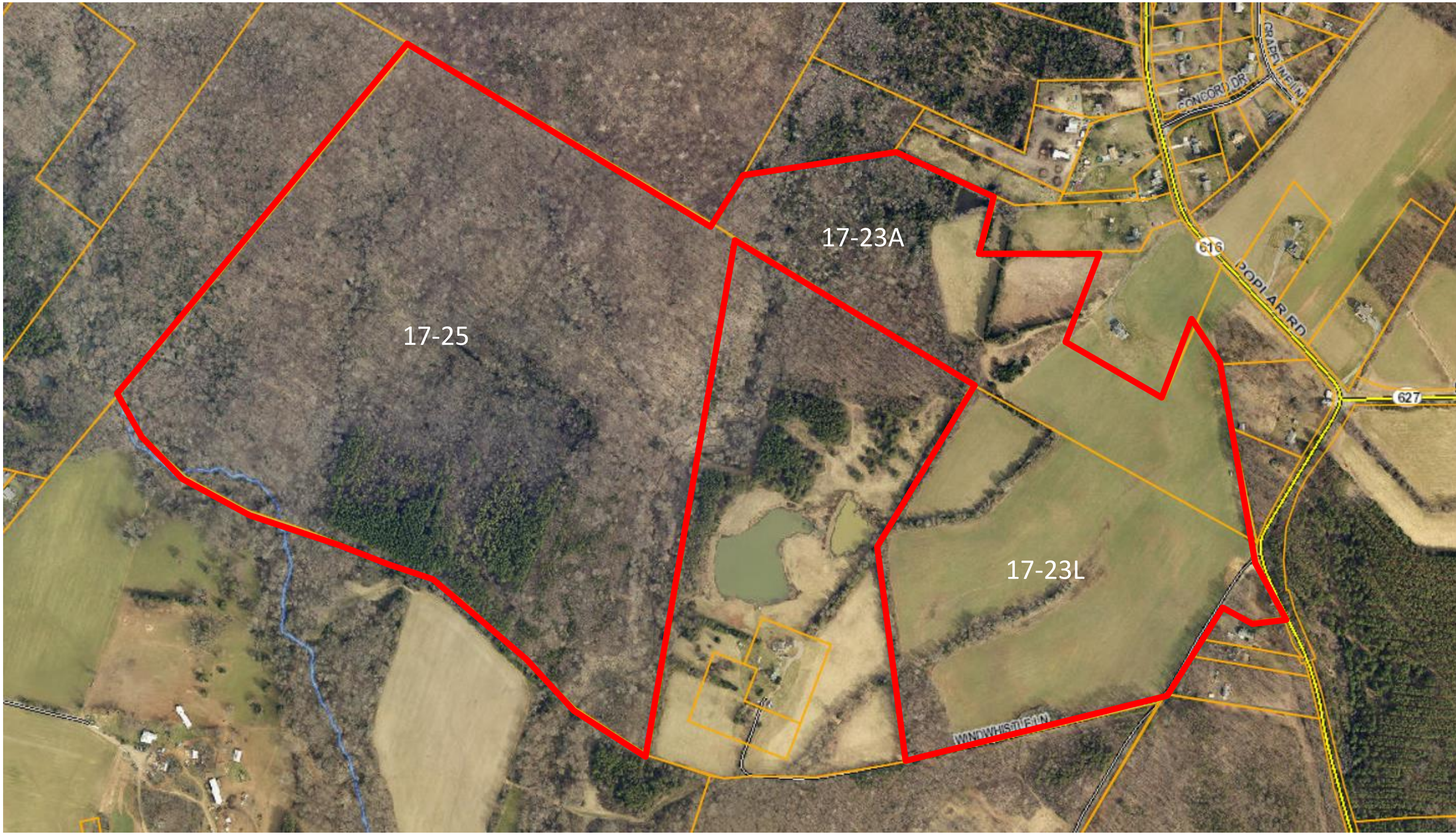
- Tax Map Parcel Nos. 17-23A, 23L and 25
- Approximately 218 acres
- Located west of the intersection with Mountain View Road and Poplar Road
- Agricultural and forested parcels
- Contains sensitive environment features, including Critical Resource Protection Area (CRPA) associated with Potomac Creek and a tributary to Potomac Creek
- Predictive suitable habitat for Small whorled pogonia, a federally endangered and state imperiled species; property lies within buffer zone of the federally listed Northern long-eared bat
- Located within MIA Zone 5, as identified in the MCB Quantico Joint Land Use Study (JLUS)
- Listed as Priority 5 property
- Potential for 72 development units
- Assessed value of property: $1,283,300

Jenkins Property (Rock Hill Election District)

- Tax Map Parcel No. 19-47
- 8 acres
- Located adjacent to MCBQ and Aquia Creek, west of Tech Parkway
- Forested parcel with a mix of mature deciduous and coniferous trees
- Contains sensitive environment features, including CRPA associated with Aquia Creek, which borders the northern property boundary. There is a Stream Conservation Unit (SCU) along Aquia Creek at the rear of the property.
- Predictive suitable habitat for Small whorled pogonia, a federally endangered and state imperiled species; property lies within buffer zone of the federally listed Northern long-eared bat
- Located within MIA Zone 2.3, as identified in the JLUS
- Listed as Priority 1 property
- Potential for 12 development units
- Assessed value of property: $65,000

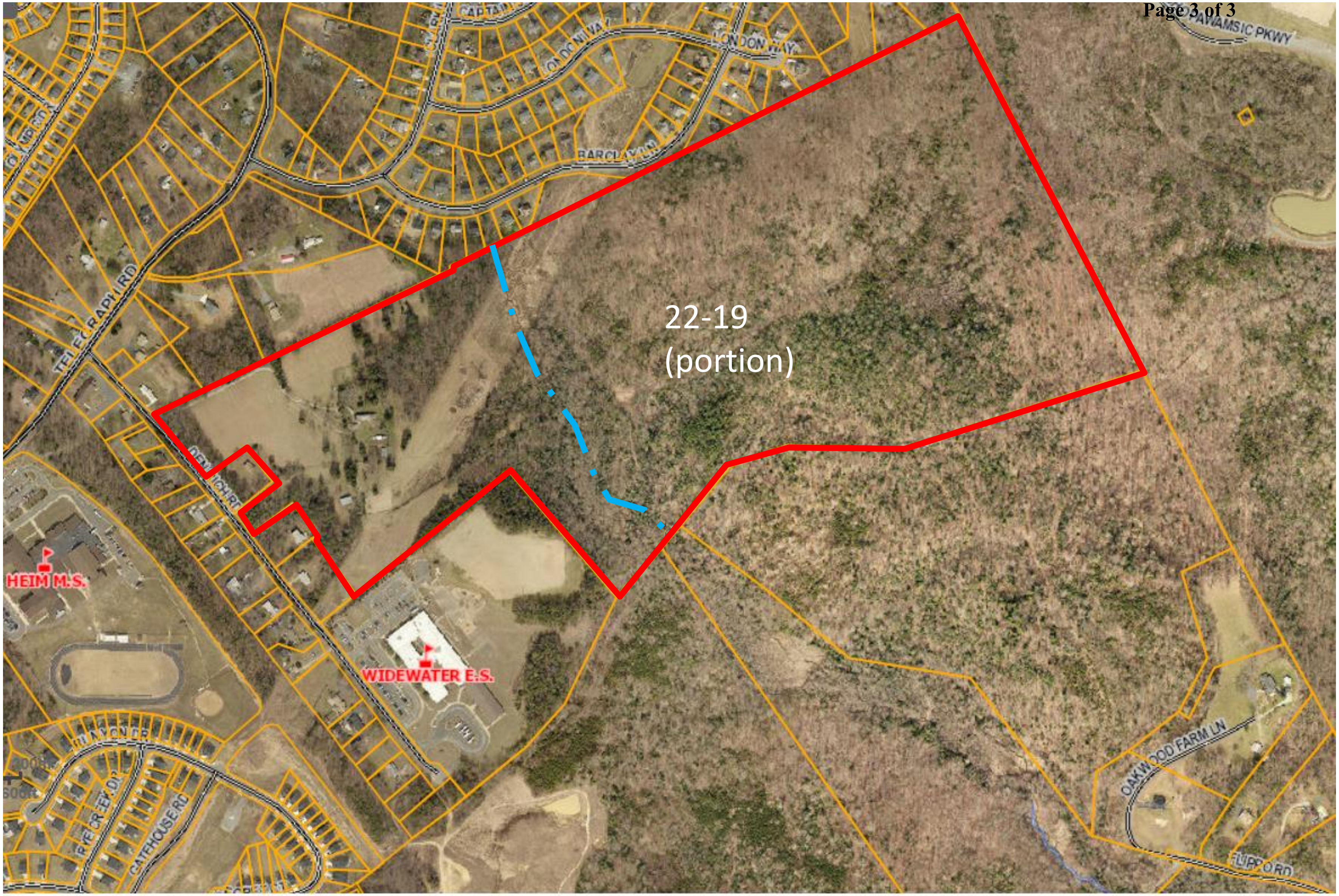
McClevey Property

- Tax Map Parcel No. 22-19 (portion)
- Approximately 80 acres
- Located ¼ mile south of MCBQ, adjacent to Patawomeck Park
- Forested parcel with a mix of mature deciduous and coniferous trees
- Contains sensitive environment features, including CRPA associated with Meadow Branch
- Property lies within buffer zone of the federally listed Northern long-eared bat
- Located within MIA Zone 2.2, as identified in the JLUS
- Listed as Priority 1 property
- Potential for 20 development units
- Assessed value of property: $560,000



STERNE PROPERTY

JENKINS PROPERTY



McCLEVEY PROPERTY

STAFFORD Virginia

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BOARD OF SUPERVISORS

Agenda Item

Meeting Date:	July 5, 2017
Title:	Consider Authorizing Negotiations with Mosaic Aquia Capital, LLC to Award Future Incremental Taxes to Incentivize the Redevelopment of Aquia Town Center
Department:	Economic Development
Staff Contact:	Bruce Register, Director of Economic Development
Board Committee/ Other BACC:	N/A
Staff Recommendation:	N/A
Fiscal Impact:	See background report
Time Sensitivity:	N/A

ATTACHMENTS:

1.	Background Report	3.	Renaissance Financial Analysis
2.	Proposed Resolution R17-183		

	Consent Agenda		**Other Business**	X	**Unfinished Business**
	Discussion		**Presentation**		**Work Session**
	New Business		**Public Hearing**		**Add-On**

REVIEW:

X	County Administrator	Thomas C. Foley
X	County Attorney (*legal review only*)	Charles L. Shumate
X	Finance and Budget	Maria Perrotte

DISTRICT:	Aquia

Attachment 1
R17-183

BACKGROUND REPORT

The Aquia Town Center (Center) has long been a key commercial gateway to the County, and the Center has been adversely affected by the general economic decline in recent years. The Center has been in an under-developed state for over a decade and is beginning to negatively affect other businesses in that area. Redevelopment of this important gateway would positively impact the entire Route 1 corridor around the Garrisonville Road and the Interstate 95 interchange.

In order to spur redevelopment, in September 2015, the Board entered into an incremental tax return (ITR) incentive Memorandum of Understanding (MOU), with the County's Economic Development Authority (EDA) and Mosaic Aquia Capital, LLC (Mosaic). The MOU is to provide financial assistance via a portion of taxes paid being returned to Mosaic to enable the development of the commercial portion of the Center (Project). Due to financial complications with the anchor store, Mosaic has not been able to complete negotiations and move this Project forward. Therefore, Mosaic has requested a partnership with the County to amend the MOU in order to ensure that redevelopment of the Center proceeds.

To fully assess the economic impacts of the development and the financial gain the Project would bring to the County, the Board engaged Renaissance Planning Group (Renaissance) as an external financial consultant. Renaissance projected that the tax revenues from the proposed development could be more than $71 million over the next 30 years. The Renaissance projections assume a full build out of the Center with retail, restaurant, and grocery uses by 2017. The actual ITR would be less, as Mosaic projects that full build out of the Center would likely take 18 months after construction begins. Completion of this Project would immediately increase the real estate and personal property tax revenue, as well as increase the sales and meals tax collected by shopping and restaurant venues.

The ITR MOU would return a portion of the increased tax revenue back to Mosaic. Under the current MOU, the County would return 75% of the tax revenue paid above the baseline to Mosaic (via the EDA) up to $6.25 million at the time the agreement was approved, with a net present value escalation of 5%. Under Mosaic's requested amendments to the MOU, the County would return 80% of the tax revenue paid above the baseline to Mosaic (via the EDA) up to $18.25 million in current dollars with a net present value escalation of 5%. Even with the ITR, the overall tax revenue received and retained by the County would increase. The $71 million tax revenue calculated by Renaissance does not include the expected revenue increase from neighboring businesses.

The Board has been working for many years to bring investments to the property to fulfill the vision of the Center, approved in 2008, but it lacked progress until Mosaic purchased the property. Mosaic's plan for the Center proposes to fulfill much of that vision, and to create an active and vibrant major commercial gateway to the County, which has the potential to positively affect the larger area.

Approval of proposed Resolution R17-183 authorizes negotiations with Mosaic for an award of future ITR incentives for the redevelopment of Aquia Town Center.

BOARD OF SUPERVISORS
COUNTY OF STAFFORD
STAFFORD, VIRGINIA

RESOLUTION

At a regular meeting of the Stafford County Board of Supervisors (the Board) held in the Board Chambers, George L. Gordon, Jr., Government Center, Stafford, Virginia, on the 5th day of July, 2017:

MEMBERS:	VOTE:
Paul V. Milde, III, Chairman	
Meg Bohmke, Vice Chairman	
Jack R. Cavalier	
Wendy E. Maurer	
Laura A. Sellers	
Gary F. Snellings	
Robert “Bob” Thomas, Jr.	

On motion of , seconded by , which carried by a vote of to , the following was adopted:

A RESOLUTION TO AUTHORIZE THE COUNTY ADMINISTRATOR TO NEGOTIATE WITH MOSAIC AQUIA CAPITAL, LLC TO AWARD FUTURE INCREMENTAL TAXES TO INCENTIVIZE THE REDEVELOPMENT OF AQUIA TOWN CENTER

WHEREAS, the Aquia Town Center has long been a key commercial gateway to the County, and the property has been adversely affected by the general economic decline in recent years; and

WHEREAS, Mosaic Aquia Capital, LLC (Mosaic), a private real estate investment firm founded in 2012 for the primary purpose of investing in office, retail and industrial real estate in the Mid-Atlantic region, has acquired the commercial portion of the Aquia Town Center, Tax Map Parcel No. 21-49 (Property); and

WHEREAS, the Renaissance Planning Group, an external financial consultant, projected that the tax revenues from the proposed development would exceed $71 million over the next 30 years; and

WHEREAS, Mosaic requested assistance from the County in the form of a future incremental tax supported incentive; and

WHEREAS, Mosaic would use these funds to go to construction on approximately 167,000 square feet of new commercial space, at an estimated cost of $55 million; and

WHEREAS, having the Aquia Town Center operating as an active and vibrant major commercial gateway located adjacent to Interstate 95, Route 1, and Garrisonville Road is in the best interest of the citizens of Stafford County; and

WHEREAS, the Board desires to bring investment to the Property to fulfill the vision of the Aquia Town Center, approved in 2008; and

WHEREAS, the Board believes Mosaic's proposal for the Aquia Town Center fulfills much of that vision and will have a positive economic impact on the broader area around the Town Center; and

WHEREAS, the Board approved a prior tax incentive agreement with Mosaic, but Mosaic requires additional incentives to bring a desirable anchor tenant to the Project; and

WHEREAS, the Board created the Economic Development Authority of Stafford County, Virginia (EDA), pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended (Act); and

WHEREAS, the County has the authority, pursuant to Virginia Code § 15.2-953, to make gifts, donations and appropriations of money to the EDA for the purposes of promoting economic development; and

WHEREAS, the EDA has the authority to make grants of money and property pursuant to the Act in furtherance of its purposes, including promoting economic development; and

WHEREAS, the Board determined that it is necessary and desirable to provide certain incentives for the redevelopment and development of Aquia Town Center (Project) which it believes will have a positive economic impact beyond the Town Center; and

WHEREAS, the Project would further the public interest and benefit the County and its citizens through the redevelopment of an under-developed area in Stafford County, and by creating additional jobs in the County and increasing the County's tax base; and

WHEREAS, the Board desires to enter into an agreement with the EDA and Mosaic, providing for the terms of the incentives to be provided to Mosaic for the Project;

NOW, THEREFORE, BE IT RESOLVED by the Stafford County Board of Supervisors on this the 5th day of July, 2017, that it be and hereby does authorize negotiations with Mosaic Aquia Capital LLC's (Mosaic), in an amount up to Eighteen Million Two Hundred Fifty Thousand in current dollars ($18,250,000) to be outlined in a Memorandum of Understanding (MOU) as referenced below, paid annually with a net present value escalation of up to 5%, in an amount not to exceed the incremental increases in the previous year's tax collections on the commercial property at Aquia Town Center (Tax Map Parcel No. 21-49), to assist in the redevelopment and revitalization of the Aquia Town Center; and

BE IT FURTHER RESOLVED that the County Administrator is authorized to negotiate the final terms of the MOU with Mosaic and the Stafford County Economic Development Authority (EDA) in order to realize this incentive in conformance with the terms of this Resolution and other material terms as determined by the Board; and

BE IT STILL FURTHER RESOLVED that the final terms of the MOU shall be presented to and approved by the Board before authorizing the County Administrator to execute the MOU.

TCF:MTS:br

RENAISSANCE PLANNING GROUP
1901 N. Moore Street, Suite 1204 • Arlington, VA 22209 • phone: 703.776.9922 • fax: 703.639.4179

Aquia Towne Center Economic Benefits

NOTICE of CONFIDENTIAL INFORMATION NOT TO BE DISCLOSED

Stafford County Department of Economic Development & Tourism, 1300 Courthouse Road, Stafford, Virginia 22555 is in receipt of a May 6, 2017 request for confidentiality and has subsequently issued an assurance of confidentiality to Mosaic Aquia Capital LLC in a letter dated May 9, 2017. That promise of confidentiality extends to all contents of this report in accord with Virginia Code § 2.2-3705.6(3) and the Stafford County Freedom of Information Act Policy, as amended by Resolution R17-61. All proprietary information voluntarily provided by Mosaic Aquia Capital LLC, used by the County for business, trade, and tourism development or retention; and memoranda, working papers, or other information related to businesses that are considering locating or expanding in Virginia, prepared by the County, where competition or bargaining is involved and where disclosure of such information would adversely affect the financial interest of the County, will be held in confidence and shall not be disclosed.

Executive Summary

Renaissance prepared projections of the real and business property, sales, and meals tax revenues that would be collected by Stafford County from two scenarios of property improvement at the Aquia Towne Center. The analysis considers only revenues from these major tax sources that are generated from new development considered in each scenario. The projections are for a 30-year horizon, and the streams of revenue are converted to their net present values using a range of discount rates to account for different potential approaches to using the revenue to incentivize the property improvements. Data tables showing the detailed results by scenario are attached at the end of this paper. The results are summarized in the table below, which compares the results using a five percent discount rate.

Table 1: Comparison of Scenario Results Using a Five Percent Discount Rate

Scenario	NPV of Total Revenue
Scenario A – Retail, Restaurant and Grocery	$34,034,748
Scenario B - Retail, Pharmacy and Grocery	$24,171,985

Scenarios A and B are roughly the same size (166,859 GSF and 172,426 GSF respectively). The principal difference between the two scenarios is the inclusion of restaurant space in Scenario A which generates tax revenue based on the 4.0% meals tax, whereas other general retail sales are taxed at the lower 1.0% rate.

Background and Context

The objective of this white paper is to examine the public benefits that might be associated with varying levels of reinvestment and redevelopment of portions of the Aquia Towne Center property. This memorandum summarizes two scenarios currently contemplated for the site, updating similar analyses performed in 2014 and 2015.

Plans are in place for the redevelopment of the entire Aquia Towne Center property into a mix of retail, restaurant, office, and multifamily residential uses. Some progress on redevelopment has been made, namely a new office building and the construction of multifamily apartments on the southern end of the site. But most the site remains currently vacant, with legacy uses consisting of a retail building solely occupied by a Rite Aid drugstore plus an adjacent vacant retail space. Stafford County wishes to understand the potential revenues that could be generated by the vacant portion of the site under different scenarios of property improvement. These revenues could potentially be used to incentivize the improvement of the properties as part of a broader strategy of spurring the redevelopment of the entire Towne Center site.

The scenarios analyzed in this paper are:

- Scenario A: Development of an additional 62,942 GSF of general retail space, 27,800 GSF of restaurant space, and 76,117 GSF of grocery space.
- Scenario B: Development of an additional 79,847 GSF of general retail space, 11,115 GSF of pharmacy space, and 81,464 GSF of grocery space.

Real property taxes, sales taxes, and meals taxes are the revenues projected in this analysis, because they are the primary taxes being generated by the two properties.

Tax Revenue Analysis

We prepared projections of the tax revenue generated by each of the two scenarios described above. The detailed results are shown in the exhibit tables attached at the end of this paper. For each scenario, the tax revenues are projected for a 30-year horizon starting in 2018, and the net present value (NPV) of the stream of revenue is calculated for a set of discount rates. Because we do not know the method that the County may use to leverage this revenue, we are showing discount rates that range from four percent (probably close to the County's cost of funds) to seven percent (probably closer to the interest rate that would be assigned to a TIF revenue bond). A specific discount rate can be tested with the County's guidance on what would be appropriate.

The discussion below describes our methodology, data sources, and assumptions.

Approach Summary

Each of the occupied properties will generate real property tax and either meals or sales taxes. From a property tax perspective we assessed comparable total assessed property values per total building square feet to derive estimates that could logically be applied to new development at Aquia Towne Center. The square footage of comparable sites was reviewed, including consideration of overall parcel assessed value (including ancillary uses such as parking and loading) as a function of the building square footage.

The assessed values were assumed to increase at an annual inflation rate of two and a half percent, but this inflationary increase is applied biennially because properties in Stafford County are reassessed every two years. We used the current County property tax rate of 0.99 percent, which was obtained from the County website. The projections reflect a one-year lag between assessment and tax collection, so the taxes on the 2015 value are collected in 2016 and so on.

The sales values were based on a combination of local comparable properties, where reasonably available from ESRI Business Analyst and supplemented by national averages. Specific assumptions for each of the retail use types are described in the following sections.

The business personal property taxes and merchants capital taxes were provided by the Office of the Commissioner of Revenue based on estimates from similarly sized retail properties within Stafford County based on the types of uses in Scenario A and generally considered representative of the uses in Scenario B.

Pharmacy / Drugstore Comparables

For the purposes of this report, we have used the terms "pharmacy" and "drug store" interchangeably, recognizing that the comparables we are examining are generally national chains such as CVS, Walgreens, and Rite-Aid that include both prescription pharmacy and sell both over the counter (OTC) medicines and other sundries. To estimate the assessed value of new pharmacy space we identified six comparable stand-alone drugstores in Stafford County and obtained their property data and assessed values from the County GIS website. The comparable properties and the relevant information are shown in the table below.

Table 2: Drugstore Assessed Value Comparables

Drugstore	Address	Year Built	Total Assessed Value	Building SF	Assessed Value PSF
CVS/Pharmacy	2614 Jefferson Davis Hwy	1997	$1,494,300	8,757	$171
CVS/Pharmacy	388 Garrisonville Rd	2014	$3,795,400	14,832	$256
CVS/Pharmacy	902 Garrisonville Rd	2010	$3,107,700	14,901	$209
CVS/Pharmacy	1 McWhirt Loop	2003	$2,108,100	11,946	$176
CVS/Pharmacy	450 Chatham Heights Rd	2002	$1,916,300	10,107	$190
Rite Aid	1095 International Pkwy	2006	$3,031,400	14,535	$209
Average Assessed Value PSF					$202

Based on the property tax comparables, we assumed that the assessed value the pharmacy property would be $200 per square foot.

We considered both local sales from comparable drug stores from ESRI Business Analyst and national sales data compiled by third party sources. CVS is the most common pharmacy in the study area, and Net Lease Advisor indicates that the CVS sales per square feet average $840, higher than the $680 average for publicly traded drugstores.[1] Drugstorenews.com identifies Walgreens, CVS Health, and Rite-Aid as the three highest sales revenue generators nationwide, with average sales per square feet of $667.[2] However, about two-thirds of sales from each of these three retailers is prescription medicine which is exempt from sales tax. (Non-prescription medicines are also exempt from sales tax, which would affect the sales revenues from both pharmacy and grocery stores, but non-prescription medicines account for only about 7% of the value of prescription medicines statewide.[3] The average sales of non-medical for the three retailers is about $214; we assumed $215 for our analysis.

Grocery Store Revenue

To estimate the assessed value of the new grocery store, we identified five full-line grocery stores in Stafford County or the City of Fredericksburg and obtained their property data and assessed values from the jurisdictions' GIS websites. The comparable properties and the relevant information are shown in the table below. We used the average assessed value of the four stores which have larger footprints in line with the proposed site. These also happen to be the four stores constructed after 2000 which likely affects the assessed value, although over the 30-year study amortization period the Aquia Towne Center site is likely to undergo several types and phases of reinvestment.

Table 3. Grocery Store Assessed Value Comparables

Grocery Store	Address	Year Built	Total Assessed Value	Building SF	Assessed Value PSF
Shoppers Food*	1505 Stafford Marketplace, Stafford	2003	$12,891,361	68,109	$189
Giant Food	317 Worth Ave, Stafford	2002	$7,806,900	64,814	$120
Food Lion	2612 Jeff Davis Hwy, Stafford	1992	$2,673,300	35,214	$76
Giant Food*	35 Town and Country Rd, Falmouth	2004	$6,899,860	60,600	$114
Wegmans	2281 Carl D. Silver Pkwy, Fredericksburg	2009	$22,972,536	150,762	$152

[1] "Net Lease Advisor", Calkain Companies, http://netleaseadvisor.com/tenant/cvs/
[2] "PoweRx Top Pharmacy Retailers", Drugstorenews.com, April 27, 2015
[3] "Executive Summary: Drugs and Other Medical Items (Sales Tax)", Virginia Joint Subcommittee to Evaluate Tax Preferences, July 2014: http://dls.virginia.gov/commissions/tax/files/report%20Drugs.pdf

Average Assessed Value PSF	$130
Average Assessed Value PSF – Stores With > 50,000 GSF Footprint	$144

* Assessed value pro-rated to reflect exclusion of attached supporting retail

ESRI Business Analyst does not provide reliable annual sales figures for individual comparable stores to produce an appropriate sample set to analyze, so we assessed both average sales for stores within the region and industry-level sources to estimate the sales at the proposed new grocery store. According to the Food Marketing Institute (FMI), the median weekly sales per square foot of selling area achieved by U.S. supermarkets in 2015 was $11.03, which translates to $574 on an annual basis.[4] This value is down 9% from the 2013 value of $11.85 from the same source. Because this figure is reported for selling area only, it would be lower when calculated for total building area (which is the square footage figure we obtained for our comparable stores). The FMI also reported that the median annual store sales divided by the median total store area was $431 per square foot. ESRI Business Analyst indicates that the average annual store sales for ten area sites is $465 per square foot, which we assumed for this analysis.

Restaurant and Retail Space

For the retail and restaurant space, we selected our assumptions for assessed value and sales with the following considerations in mind. The analysis prepared by MuniCap, Inc. for the Town Center at Aquia CDA estimated that the assessed value for new retail space would be $150 per square foot and for new restaurant space would be $190 per square foot. These seem to be reasonable assumptions and are in line with our assumption of $125 per square foot for the new grocery store, which is a significantly larger building and would thus typically have a lower per-square foot valuation for physically similar space. Restaurant space can be expected to have a higher valuation than general retail space because of the higher level of interior build-out and finishes.

For the general retail space we assumed annual sales of $350 per square feet, based on the 2016 Virginia data compiled by the International Council of Shopping Centers (ICSC) estimates of $378 for Virginia and $342 nationwide.

For the restaurant space we assumed annual sales of $530 per square foot. This is based on the average revenue per square foot of the largest casual dining restaurant chains in the U.S., as reported by a financial analyst examining the state of the industry.[5]

Summary of Tax Revenue

Attachments A and B show the analysis results for Scenarios A and B respectively.

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[4] "Supermarket Facts". https://www.fmi.org/our-research/supermarket-facts

[5] "Darden Analysis: Why Revenue per Square Foot is Essential." http://marketrealist.com/2013/11/darden-analysis-revenue-per-square-foot-essential

Sensitivity Considerations

The analysis described in this memorandum reflects several standardized assumptions in both the approach and in specific numeric values. This section of the memorandum describes several considerations that could be applied to consider the sensitivity of the approach to alternative assumptions.

Value of the No-Build Scenario

The consideration of economic benefits is based on total values for comparable developed and productive properties, with those benefits applied to new development on portions of the Aquia Towne Center property.

An argument could be made that under a "no-build" scenario the vacant portions of the Aquia Towne Center property are still generating at least a nominal amount of property tax. The 24.96-acre parcel (Parcel 49R) that these uses are assumed to be operated upon has a current appraised and assessed value of $6,245,100 of which $6,100,000 is land value and $145,000 is improvement value. The improvement value is associated with the neighborhood strip center containing the Rite Aid store. The current land value also reflects the surface parking associated with the 32,198 GSF office building at 475 Towne Center Drive, which is a condominium site with a land value of $611,000 and an improvement value of $15,554,700.

For the sake of simplicity, we did not attempt to define and disaggregate the portion of the assessed land value of the subject property associated with the office parking, the active Rite-Aid store, and the vacant retail space. However, a quick sensitivity test shows the degree to which the existing assessed land value could be considered in comparing Scenarios A and B. The existing assessed value is roughly one quarter of the 2018 assessed property value in both Scenarios A and B, and the property tax accounts for roughly one-sixth of the benefits in each scenario, so the effect of assuming that the no-build scenario has no property tax value (other than associated with the existing uses) could at most account for about 4% of the estimated NPV.

Specific Tenant Markets

The specific tenants in a retail center can affect many elements of sales, including the draw of customers from both distinct market segments and drive-time distances. These market characteristics in turn affect sales volumes and prices per square foot. These effects apply to each of the four categories of retail use, but are probably most sensitive to the grocery store and restaurant categories. The site has consistently been marketed as likely to include a high-end grocery store, with Harris Teeter specifically named in promotional materials. Stafford County currently does not have a comparable grocery store in the general vicinity; the area is generally served by grocers Giant, Food Lion, and Aldi, as well as smaller independent neighborhood grocers.

In our November 2014 technical memorandum we examined then-current data for both Harris Teeter and Whole Foods in considering an appropriate sales per square foot estimate. Harris Teeter is an upscale grocery chain that operates in the Mid-Atlantic region; its company-wide estimated store sales performance was reported to be $455 per square foot as of 2013. Whole Foods, another upscale chain that operates nationally, is reported to have a store average of around $530 per square foot. The $530 per square foot estimate is 14% higher than the $465 value used in the analysis, yet the grocery sales are only about one-third of the tax revenue in Scenario B (with the larger grocery store assumption and the lack of a restaurant to generated meals tax). If the $530 value is used instead of the $465 value, the NPV of either scenario would increase by roughly a million dollars at a five percent discount rate (an increase of about 5% for Scenario B and about 3% for Scenario A).

In terms of tax revenues from restaurants, the Commissioner of Revenue has noted that the restaurant sales observed in Stafford County are notably lower than the national averages, with local chain restaurants generating up to $344 per square foot. If the $344 per square foot is used instead of the national average of $530 per square foot, the NPV of Scenario A would decrease by about 4.2 million dollars at a five percent discount rate (but would still be 5.6 million dollars higher than the NPV of Scenario B.)

Retail Leakage

A concern typical of economic benefit analysis is the degree to which new development generates new retail sales taxes for a jurisdiction as opposed to redistributing existing sales. New retailers taking market share from existing retailer is a fact of life in today's marketplace. The nation is generally over-retailed, and online retail is putting pressure on retailers to pare down to the best "A" locations that are expected to draw from larger areas than they used to. However, for Aquia Towne Center there is evidence that the evaluated scenarios will generate new sales taxes rather than simply redistributing the source of those sales taxes.

Most grocery spending is local, usually within a 5-10 minute drive in suburban areas. That will especially be the case here because the area is not a major employment center that might have people grocery shopping before they start their commute home. Our qualitative assessment of the local market is that 5 and 10 minute drivetime grocery leakage is substantial, meaning there is a lot of local spending that could be captured within the area that is now going elsewhere. And this is the case even though there are several other grocery stores within these drivetime areas (on Garrisonville Road on the other side of I-95 from Aquia). The April 2012 retail attraction and marketing study notes that a lot of Stafford residents are grocery shopping outside of the county (during their commutes) due to local traffic congestion, with a sales gap in the Northern Trade Area larger than the amount of grocery store sales within the area.[6] The restaurant and general retail leakage amounts are also positive, though not nearly as large as the grocery leakage. In general, at the time the Riddle study was completed, the Aquia area was actually under-retailed, rather than over-retailed as is the case in many other areas across the country.

Additionally, the Aquia Towne Center tax projections are made across a 30-year period during which substantial residential and commercial growth is forecasted throughout the County, and the Comprehensive Plan includes growth management strategies to concentrate development in targeted growth areas). The 2015 Countywide population of 142,003 is expected to nearly double to 251,850 by 2040 according to the Fredericksburg Area Metropolitan Planning Organization[7]. More recent projections by the state of Virginia are more aggressive, with a recent forecast 2040 population of 333,652 for the County.[8] It appears reasonable that, even with increasing pressure from e-commerce,

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[6]. "Retail Attraction and Marketing for Stafford Virginia", The Riddle Company, April 2012

[7]. 2040 Long Range Transportation Plan, Fredericksburg Area Metropolitan Planning Organization, adopted April 2013

[8]. "Virginia Community Profile – Stafford County", Virginia Employment Commission, May 2017

the meals and sales tax revenues from Aquia Towne Center will generally be serving a growing population base as opposed to redistributing existing sales from other locations in the County.

Aquia Towne Center
Attachment A: NPV for Scenario A: Retail, Restaurant, and Grocery

ASSUMPTIONS							
Building Sq. Ft.		**Assessed Value PSF**		**Sales & Meals Spending Per Year**		**Tax Rates**	
New Pharmacy	0	Pharmacy	$200	Pharmacy Sales (PSF)	$215	Real Propert	0.990%
New Retail	62,942	Retail	$150	Retail Sales (PSF)	$350	Local Sales	1.0%
New Restaurant	27,800	Restaurant	$190	Restaurant Sales (PSF)	$530	Meals	4.0%
New Grocery	76,117	Grocery	$145	Grocery Sales (PSF)	$465		
TOTAL	166,859					**Other**	
						Inflation	2.5%

TAX PROJECTIONS									
Year		Assessed Value Inflation*	Real Estate Assessed Value	Real Property Taxes	Sales Taxes	Meals Taxes	Business Personal Property Taxes	Merchants Capital Taxes	TOTAL PROJECTED REVENUE
2018	1	0	$25,760,265	$0	$574,241	$589,360	$314,206	$14,852	$1,492,659
2019	2	5.06%	$27,064,378	$255,027	$588,597	$604,094	$314,206	$15,223	$1,777,147
2020	3	0	$27,064,378	$267,937	$603,312	$619,196	$314,206	$15,604	$1,820,256
2021	4	5.06%	$28,434,513	$267,937	$618,395	$634,676	$314,206	$15,994	$1,851,209
2022	5	0	$28,434,513	$281,502	$633,855	$650,543	$314,206	$16,394	$1,896,499
2023	6	5.06%	$29,874,010	$281,502	$649,701	$666,807	$314,206	$16,803	$1,929,019
2024	7	0	$29,874,010	$295,753	$665,944	$683,477	$314,206	$17,224	$1,976,603
2025	8	5.06%	$31,386,382	$295,753	$682,592	$700,564	$314,206	$17,654	$2,010,769
2026	9	0	$31,386,382	$310,725	$699,657	$718,078	$314,206	$18,095	$2,060,762
2027	10	5.06%	$32,975,317	$310,725	$717,148	$736,030	$314,206	$18,548	$2,096,658
2028	11	0	$32,975,317	$326,456	$735,077	$754,431	$314,206	$19,012	$2,149,181
2029	12	5.06%	$34,644,693	$326,456	$753,454	$773,291	$314,206	$19,487	$2,186,894
2030	13	0	$34,644,693	$342,982	$772,290	$792,624	$314,206	$19,974	$2,242,077
2031	14	5.06%	$36,398,580	$342,982	$791,598	$812,439	$314,206	$20,473	$2,281,699
2032	15	0	$36,398,580	$360,346	$811,388	$832,750	$314,206	$20,985	$2,339,675
2033	16	5.06%	$38,241,258	$360,346	$831,672	$853,569	$314,206	$21,510	$2,381,303
2034	17	0	$38,241,258	$378,588	$852,464	$874,908	$314,206	$22,048	$2,442,215
2035	18	5.06%	$40,177,222	$378,588	$873,776	$896,781	$314,206	$22,599	$2,485,950
2036	19	0	$40,177,222	$397,754	$895,620	$919,200	$314,206	$23,164	$2,549,945
2037	20	5.06%	$42,211,194	$397,754	$918,011	$942,180	$314,206	$23,743	$2,595,895
2038	21	0	$42,211,194	$417,891	$940,961	$965,735	$314,206	$24,336	$2,663,129
2039	22	5.06%	$44,348,135	$417,891	$964,485	$989,878	$314,206	$24,945	$2,711,405
2040	23	0	$44,348,135	$439,047	$988,597	$1,014,625	$314,206	$25,568	$2,782,044
2041	24	5.06%	$46,593,260	$439,047	$1,013,312	$1,039,991	$314,206	$26,208	$2,832,763
2042	25	0	$46,593,260	$461,273	$1,038,645	$1,065,991	$314,206	$26,863	$2,906,978
2043	26	5.06%	$48,952,044	$461,273	$1,064,611	$1,092,640	$314,206	$27,534	$2,960,265
2044	27	0	$48,952,044	$484,625	$1,091,226	$1,119,957	$314,206	$28,223	$3,038,237
2045	28	5.06%	$51,430,241	$484,625	$1,118,507	$1,147,955	$314,206	$28,928	$3,094,222
2046	29	0	$51,430,241	$509,159	$1,146,469	$1,176,654	$314,206	$29,652	$3,176,141
2047	30	5.06%	$54,033,897	$509,159	$1,175,131	$1,206,071	$314,206	$30,393	$3,234,960
Aggregate Cash Flow				$10,803,105	$25,210,734	$25,874,497	$9,426,190	$652,034	$71,966,561

** Properties are reassessed every two years, so inflation is applied biennially*

tax revenue at a discount rate of:	4.0%	$5,688,465	$13,524,554	$13,880,637	$5,433,266	$349,790	$38,876,713
	5.0%	$4,944,046	$11,821,789	$12,133,040	$4,830,121	$305,751	$34,034,748
	6.0%	$4,329,346	$10,414,965	$10,689,176	$4,324,997	$269,366	$30,027,849
	7.0%	$3,818,301	$9,244,625	$9,488,023	$3,898,999	$239,097	$26,689,045

The total aggregate cash flow over 30 years from all tax sources projected is approximately $71.97 million.
At a discount rate of five percent, the net present value of this revenue stream is approximately $34.03 million.

Aquia Towne Center
Attachment B: NPV for Scenario B: Retail, Grocery, and Pharmacy

ASSUMPTIONS							
Building Sq. Ft.		**Assessed Value PSF**		**Sales & Meals Spending Per Year**		**Tax Rates**	
New Pharmacy	11,115	Pharmacy	$200	Pharmacy Sales (PSF)	$215	Real Propert	0.990%
New Retail	79,847	Retail	$150	Retail Sales (PSF)	$350	Local Sales	1.0%
New Restaurant	0	Restaurant	$190	Restaurant Sales (PSF)	$530	Meals	4.0%
New Grocery	81,464	Grocery	$145	Grocery Sales (PSF)	$465		
TOTAL	172,426					**Other**	
						Inflation	2.5%

TAX PROJECTIONS									
Year		Assessed Value Inflation*	Real Estate Assessed Value	Real Property Taxes	Sales Taxes	Meals Taxes	Business Personal Property Taxes	Merchants Capital Taxes	TOTAL PROJECTED REVENUE
2018	1	0	$26,012,330	$0	$682,169	$0	$314,206	$14,852	$1,011,227
2019	2	5.06%	$27,329,204	$257,522	$699,224	$0	$314,206	$15,223	$1,286,175
2020	3	0	$27,329,204	$270,559	$716,704	$0	$314,206	$15,604	$1,317,073
2021	4	5.06%	$28,712,745	$270,559	$734,622	$0	$314,206	$15,994	$1,335,381
2022	5	0	$28,712,745	$284,256	$752,987	$0	$314,206	$16,394	$1,367,843
2023	6	5.06%	$30,166,328	$284,256	$771,812	$0	$314,206	$16,803	$1,387,078
2024	7	0	$30,166,328	$298,647	$791,107	$0	$314,206	$17,224	$1,421,184
2025	8	5.06%	$31,693,498	$298,647	$810,885	$0	$314,206	$17,654	$1,441,392
2026	9	0	$31,693,498	$313,766	$831,157	$0	$314,206	$18,095	$1,477,225
2027	10	5.06%	$33,297,982	$313,766	$851,936	$0	$314,206	$18,548	$1,498,456
2028	11	0	$33,297,982	$329,650	$873,234	$0	$314,206	$19,012	$1,536,102
2029	12	5.06%	$34,983,692	$329,650	$895,065	$0	$314,206	$19,487	$1,558,409
2030	13	0	$34,983,692	$346,339	$917,442	$0	$314,206	$19,974	$1,597,961
2031	14	5.06%	$36,754,741	$346,339	$940,378	$0	$314,206	$20,473	$1,621,396
2032	15	0	$36,754,741	$363,872	$963,887	$0	$314,206	$20,985	$1,662,951
2033	16	5.06%	$38,615,450	$363,872	$987,985	$0	$314,206	$21,510	$1,687,573
2034	17	0	$38,615,450	$382,293	$1,012,684	$0	$314,206	$22,048	$1,731,231
2035	18	5.06%	$40,570,357	$382,293	$1,038,001	$0	$314,206	$22,599	$1,757,099
2036	19	0	$40,570,357	$401,647	$1,063,951	$0	$314,206	$23,164	$1,802,968
2037	20	5.06%	$42,624,232	$401,647	$1,090,550	$0	$314,206	$23,743	$1,830,146
2038	21	0	$42,624,232	$421,980	$1,117,814	$0	$314,206	$24,336	$1,878,337
2039	22	5.06%	$44,782,083	$421,980	$1,145,759	$0	$314,206	$24,945	$1,906,890
2040	23	0	$44,782,083	$443,343	$1,174,403	$0	$314,206	$25,568	$1,957,521
2041	24	5.06%	$47,049,176	$443,343	$1,203,763	$0	$314,206	$26,208	$1,987,520
2042	25	0	$47,049,176	$465,787	$1,233,857	$0	$314,206	$26,863	$2,040,713
2043	26	5.06%	$49,431,041	$465,787	$1,264,704	$0	$314,206	$27,534	$2,072,231
2044	27	0	$49,431,041	$489,367	$1,296,321	$0	$314,206	$28,223	$2,128,118
2045	28	5.06%	$51,933,487	$489,367	$1,328,729	$0	$314,206	$28,928	$2,161,231
2046	29	0	$51,933,487	$514,142	$1,361,948	$0	$314,206	$29,652	$2,219,947
2047	30	5.06%	$54,562,620	$514,142	$1,395,996	$0	$314,206	$30,393	$2,254,737
Aggregate Cash Flow				$10,908,814	$29,949,078	$0	$9,426,190	$652,034	$50,936,116

** Properties are reassessed every two years, so inflation is applied biennially*

tax revenue at a discount rate of:	4.0%	$5,744,127	$16,066,487	$0	$5,433,266	$349,790	$27,593,671
	5.0%	$4,992,424	$14,043,688	$0	$4,830,121	$305,751	$24,171,985
	6.0%	$4,371,709	$12,372,452	$0	$4,324,997	$269,366	$21,338,524
	7.0%	$3,855,664	$10,982,147	$0	$3,898,999	$239,097	$18,975,907

The total aggregate cash flow over 30 years from all tax sources projected is approximately $50.94 million.
At a discount rate of five percent, the net present value of this revenue stream is approximately $24.17 million.