

ARLINGTON COUNTY, VIRGINIA



County Board Agenda Item Meeting of September 17, 2011

DATE: September 6, 2011

SUBJECT: Request to Amend the Phase 1 Historic Resources Inventory (HRI) list; and to Advertise public hearings to consider the adoption of the Phase 1 Historic Resources Inventory (HRI) Goals and Policy Objectives.

C. M. RECOMMENDATION:

- 1) Amend Historic Resources Inventory (HRI) Phase 1 list by moving 3401 Fairfax Drive from the Demolished to Minor category and 4800 31st Street South from the Important to Essential category; and
- 2) Adopt the attached resolution to authorize advertisement (Attachment A) of public hearings by the Planning Commission on October 5, 2011, and the County Board on October 15, 2011, to consider the adoption of the Phase 1 Historic Resources Inventory (HRI) Goals and Policy Objectives (Attachment B).

ISSUES: There are no issues to the Request to Advertise. These two requests are follow-up actions to the County Board's July 2011 adoption of the Phase 1 HRI list of ranked historic garden apartments, shopping centers, and commercial buildings.

SUMMARY: The County Board adopted the Historic Resources Inventory Phase 1 list on July 9, 2011. In adopting the HRI Phase 1 list, the County Board requested that two properties (3401 Fairfax Drive and 4800 31st Street South) be re-evaluated. These properties were resurveyed and analyzed, which resulted in new rankings for these two properties and thus changes to the adopted HRI Phase 1 list.

The proposed HRI Goals and Policy Objectives are designed to provide policy guidance to County staff and the community regarding strategies for properties listed on the Phase 1 HRI list. Staff is recommending that public hearings be held by the Planning Commission and the Board to consider whether they should be adopted by the County Board.

BACKGROUND: In December 2006, the County Board adopted Arlington's first *Historic Preservation Master Plan*. The *Plan*'s top priority recommendation was the creation of a

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Historic Resources Inventory (HRI) to fulfill two main purposes: 1) to rank the County's surveyed historic resources by historical and architectural significance; and 2) to establish proactive strategies to preserve the most vital historic resources. Arlington is the first locality in Virginia and is among just a few nationwide to create such a ranking system for its historic resources. On July 9, 2011, the County Board unanimously adopted the Phase 1 HRI list of ranked historic garden apartments, shopping centers, and commercial buildings – which was a critical first step to fully implementing the HRI.

Phase 1 of the HRI is limited to only three types of historic buildings: 1) Garden apartment buildings and complexes (low-, mid-, and high-rises); 2) Shopping centers; and 3) Individual commercial buildings. These particular properties represent the County's most threatened types of historic resources. Constructed between 1909 and 1962, the buildings represent key periods and innovations in Arlington's and the nation's historical, architectural, social, cultural, and transportation history and planning trends. Phase 1 of the HRI consists of 393 historic resources ranked into six categories of significance:

1. **Essential** – County's top priorities for preservation that include the most significant, best preserved, and key resources that best define Arlington history (23);
2. **Important** – Central to understanding the County's history, but less distinctive than and/or have less physical integrity than Essential (134);
3. **Notable** – Have historic elements related to the County's history, but lack sufficient historic context, integrity, and/or significance compared to Essential and Important (81);
4. **Minor** – Altered substantially over time and/or not distinctive examples of their building type (22);
5. **Altered/Not Historic** (35); and
6. **Demolished** (98).

At the time of the adoption of the HRI Phase 1 list, questions were raised on the ranking of two properties. The Board charged staff to re-survey and re-evaluate the buildings at 3401 Fairfax Drive and at 4800 31st Street South and to report back to the Board. This task has now been completed and it resulted in changes within the rankings of the July 9, 2011 Board adopted HRI Phase 1 list.

Now that the County Board has formally adopted the Phase 1 HRI list of ranked historic properties, the HRI Goals and Policy Objectives should now be considered by the Board. These HRI Goals and Policy Objectives would become County policy upon adoption by the County Board, providing planning guidance for those historic properties included in the Phase 1 HRI list.

DISCUSSION:

PURPOSE OF THE HRI

The HRI is designed to inform property owners, architects, developers, County staff, and County officials about Arlington's most valuable historic resources and how best to address preservation

goals and development options simultaneously. As an information-sharing tool, the HRI is intended to initiate open dialogue between property owners and the County in the early planning stages of development projects. The ranked HRI list of properties provides clear preservation priorities for the County for a specific grouping of historic buildings.

The HRI also will help define and promote Arlington's identity and sense of place. The concepts of "urban village" and the County's collection of neighborhood-centric communities help define Arlington as Arlington. Without these important visual reminders of the County's residential and commercial past, Arlington will lose its link to the most significant trends in architectural, planning, and transportation development that have shaped its overall heritage.

REASSESSMENT OF TWO PROPERTIES

When the HRI Phase 1 list was being adopted on July 9, 2011, questions were raised about two properties on the list. Since then, the survey team, comprised of Michael Leventhal, County Historic Preservation Program Coordinator, and Laura Trieschmann, Principal, E.H.T. Tracerics, went out to reassess the properties at 3401 Fairfax Drive (Kann's Department Store) and 4800 31st Street South (Long & Foster Realty). The results of their survey, research and analysis are as follows:

3401 Fairfax Drive: Originally built for Kann's Department Store, the building is now part of the George Mason University Law School. This building no longer reads as a mid-century department store; it has lost integrity of design, setting, location, materials and workmanship, feeling, and association. It was mistakenly believed to have been demolished. It is now ranked Minor. Staff recommends that the property be moved from "Demolished" to "Minor."

4800 31st Street South: This property was constructed by and for the Defense Homes Corporation to be used as their administration and rental office as they built Fairlington. It was always part of the garden apartment complex. It was mistakenly ranked individually as a commercial building, which reflects its use post-1977 and is not restricted/related to the garden apartment complex. The building is an integral part of the garden apartment complex and should have been included with the ranking of the larger Fairlington. Staff recommends that the building be moved in the ranking from "Important" to "Essential".

Each property owner has been notified of the change for that owner's property.

HRI GOALS AND POLICY OBJECTIVES

The County Board's adoption of the Phase 1 HRI list of ranked historic properties in July 2011 marks the first key step in the full implementation of the Historic Resources Inventory. For the HRI to become a viable planning tool, it must be carefully integrated into both the County's current planning practices and future long-term planning efforts. As detailed in the previous Board report for adoption of the Phase 1 HRI list, the list itself will become part of the County's standard internal processes, especially as related to planning, zoning, and permitting and the associated standard procedures. Similarly, the proposed HRI Goals and Policy Objectives also will be integrated into these same planning functions to ensure that preservation interests are

considered as proposals are developed. Therefore, staff is recommending that the County Board authorize advertisement of public hearings to consider the proposed revised Phase 1 HRI list and the proposed HRI Goals and Policy Objectives.

By approving the HRI Goals and Policy Objectives, the County Board will be providing policy guidance to County staff to handle the short-term and long-term planning efforts regarding those historic properties in the HRI. The proposed Historic Resources Inventory Goals and Policy Objectives can be found in Attachment B. In summary, the eight primary HRI Goals are as follows:

1. Strengthen Arlington's sense of place by valuing historic buildings and the human stories surrounding them.
2. Promote historic preservation as a viable and continuing community benefit.
3. Incorporate sustainable design principles in the renovation of all existing historic buildings and in new construction.
4. Promote the preservation of the Essential historic buildings in the HRI.
5. Promote the preservation of the Important historic buildings in the HRI.
6. Promote the preservation of the Notable historic buildings in the HRI.
7. Contribute to the lasting historic record of the County by documenting historic resources listed in the HRI prior to their demolition.
8. Continually integrate historic preservation planning principles into County policies.

Each goal has several stated policy objectives to help execute that particular goal. These policy objectives reaffirm the County's support for historic preservation stemming from its adoption of the Historic Preservation Master Plan in 2006.

IMPLEMENTATION

In regards to implementing the HRI as part of the County's long-term planning efforts, the Phase 1 HRI list identifies many historic properties already included for preservation in existing County-adopted plans (i.e., Columbia Pike Form Based Code, Clarendon Sector Plan, Fort Myer Heights North Plan), as well as historic properties not previously identified. As new planning studies are executed and ultimately adopted, both the HRI list and the HRI Goals and Policy Objectives will help guide discussions and inform decisions pertaining to historic commercial and multi-family residential resources. Just as the afore-mentioned County plans are considered planning documents and tools that address specific preservation goals and offer guidance and recommendations about preserving certain historic properties, the HRI will be another tool designed to better inform the planning process as it applies to specific types of historic buildings. The proposed HRI Goals and Policy Objectives correlate to the ranking categories and provide direction to the property owners, general public, staff, commissions, and the County Board when considering preservation potential and development proposals in the future.

HRI TOOL KIT

The “tool kit” component of the HRI serves two main purposes: 1) to educate property owners, developers, architects, preservation advocates, other interested parties, County staff, and County officials on available preservation tools and incentives; and 2) to guide all of the above stakeholders with HRI goals and policy objectives that are linked to the specific categories and buildings in the Phase 1 HRI list of ranked historic properties. The HRI tool kit is presented here to illustrate how the goals and policy objectives can be accomplished, and need not be formally adopted by the County Board because these mechanisms already are being used in the County.

The overriding goal of the HRI, beyond the creation of a working list of ranked historic buildings for current and future planning purposes, is to promote and use proactive tools to encourage property owners to continue their preservation and stewardship of these historic properties. It is equally important to provide incentives for the renovation of existing buildings and their inclusion into larger new development projects. This is especially true for those buildings ranked in the highest HRI categories of Essential and Important.

The available financial and zoning tools offer a range of proactive methods to encourage the preservation of the County’s most valued historic resources identified in Phase 1 of the HRI. The tools, many of which already have been successfully employed for decades throughout Arlington, illustrate how historic preservation can go hand in hand with new development and other County and community benefits such as affordable housing. The County adoption of the HRI goals and policy objectives will enable the best use of these preservation-focused tools.

In developing the HRI tools, emphasis was placed on the tools and actions that the County already has the power to implement without seeking additional legislative authority from the state. Additional tools not mentioned in this report would require additional legislative permission, as well as an assessment of staff resources and current work programs to determine which, if any, other tools would be viable to pursue in the future. The available preservation tools and incentives are summarized below, with detailed information on each of the tools provided in Attachment C.

The County has the legal authority to implement the following preservation tools and actions. This set of tools and incentives will be used proactively for both current and future planning purposes as related to the Phase 1 HRI list of ranked historic properties.

Available Financial Tools:

- Federal tax credits for the rehabilitation of historic buildings
- State tax credits for the rehabilitation of historic buildings
- Preservation easements
- Local real estate tax exemption

Available Zoning Tools:

- Site plan and use permit processes
- Transfer of development rights (TDR)
- Local historic district designation

Available County Resources:

- Consultation with County staff
- Consultation with the Historical Affairs and Landmark Review Board (HALRB)
- County acquisition of threatened historic resources

COMMUNITY PROCESS

Historical Affairs and Landmark Review Board (HALRB): Besides having regular staff updates in December 2010, and at the February, March and April 2011 monthly HALRB meetings, the HALRB formally reviewed the draft HRI Goals and Policy Objectives at its August 17, 2011 meeting. The Review Board members reviewed the draft staff report and noticed that the list of policy objectives is being held to those that already exist, as opposed to offering new policy solutions or protections for historic buildings. The HALRB supports this approach, and is eagerly looking forward to the final approval of the document.

The Review Board did ask for further clarification concerning TDRs and asked that the language be strengthened to protect those buildings listed as Essential and Important in the HRI from the unintended, adverse consequences of development. The Review Board was also keen to add language that would emphasize the “human” element of Arlington’s story. While recognizing the importance of protecting our built environment, the HALRB also wanted the stories of those who came before us to be recognized and preserved as well.

There were no public speakers on this issue. After discussing the issue amongst the HALRB members, the HALRB recommended that with the adoption of the Phase I Goals and Policy Objectives, the Board direct County staff to begin work on Phase II of the HRI. The HALRB unanimously supported the advertisement of the HRI policies with the changes noted above. The HRI Goals and Policy Objectives being advertised reflects the HALRB comments.

Long Range Planning Committee of the Planning Commission (LRPC): Staff presented to the LRPC the project methodology and overall project goals at its May 19, 2011 meeting. The committee members present agreed with staff that the HRI list is a valuable asset to the County and they are eager to provide feedback on the proposed goals and policy objectives component of the HRI. This opportunity took place at the September 1, 2011 LRPC meeting. At this meeting the consensus of the attending Long Range Planning Committee members was supportive of the HRI Goals and Policy Objectives. Their comments were constructive as well as editorial. The recommendations provided by the Long Range Planning Committee were evaluated and many included within Attachment B.

FISCAL IMPACT: The only known fiscal impact to the County government is the staff resources required to execute the full implementation of the HRI.

CONCLUSION: Staff recommends that the County Board amend the Phase 1 HRI list as recommended and adopt the attached resolution to authorize advertisement to consider the Phase 1 Historic Resources Inventory (HRI) Goals and Policy Objectives.

ATTACHMENT A

RESOLUTION TO AUTHORIZE ADVERTISEMENT OF A PUBLIC HEARING AT THE OCTOBER 5, 2011 PLANNING COMMISSION MEETING AND THE OCTOBER 15, 2011, COUNTY BOARD MEETING TO CONSIDER THE ADOPTION OF THE PHASE 1 HISTORIC RESOURCES INVENTORY (HRI) GOALS AND POLICY OBJECTIVES, IN ACCORDANCE WITH THE RECOMMENDATIONS SET FORTH IN ARLINGTON'S HISTORIC PRESERVATION MASTER PLAN.

Whereas the staff of Arlington County has recommended that the County Board of Arlington County ("County Board") hold public hearings on certain Phase 1 Historic Resources Inventory Goals and Policy Objectives, and

Whereas, the County Board desires to hold such public hearings,

Therefore, the County Board hereby resolves to authorize the advertisement of a public hearing at the October 5, 2011, Planning Commission meeting and the October 15, 2011, County Board meeting to consider the adoption of the Phase 1 Historic Resources Inventory (HRI) Goals and Policy Objectives, in accordance with the recommendations set forth in Arlington's Historic Preservation Master Plan.

HISTORIC RESOURCES INVENTORY GOALS AND POLICY OBJECTIVES

The Phase 1 Historic Resources Inventory (HRI) focuses on the following eight goals and supporting policy objectives. These goals and policy objectives will be used to encourage and promote the preservation and rehabilitation of the historic buildings featured in the Phase 1 HRI list. These HRI goals and policy objectives are intended to ensure that property owners give careful consideration of all of the various options available to them before making any decision to demolish their ranked building. All HRI goals and policy objectives presented here will still allow property owners to pursue by-right rehabilitation or demolition options.

1. STRENGTHEN ARLINGTON’S SENSE OF PLACE BY VALUING HISTORIC BUILDINGS AND THE HUMAN STORIES SURROUNDING THEM.

- As stated in the *Historic Preservation Master Plan*: “To sustain itself as a successful urban village, Arlington will retain the distinctive character of its many historic neighborhoods and commercial centers and will share the history of Arlington through these resources. This will be accomplished through a combined approach that includes education, programs, incentives, and land use policies that are integrated and balanced with future growth.”¹
- The County will showcase and preserve historic buildings to help define neighborhood character and identity and increase public understanding of Arlington’s architectural and developmental history.
- Beyond building preservation, the County will conduct research into the people who built and used these historic properties needs to be pursued so as to not lose the stories of how Arlington developed.

2. PROMOTE HISTORIC PRESERVATION AS A VIABLE AND CONTINUING COMMUNITY BENEFIT.

- The County will be strategic in balancing historic preservation with other valuable County initiatives, including affordable housing, sustainability, transportation, open space planning, among others.
- The County will work collaboratively with property owners on a continuous basis to explain and promote preservation incentives and options.

¹ *Historic Preservation Master Plan*, p.2

3. INCORPORATE SUSTAINABLE DESIGN PRINCIPLES IN THE RENOVATION OF ALL EXISTING HISTORIC BUILDINGS AND IN NEW CONSTRUCTION.

- The County will encourage the retention and reuse of existing historic buildings rather than be demolished.
- The County will encourage that the retention and reuse of existing building materials be retained and reused either on site or made available to other sites in the immediate community or in the greater County.
- The County will encourage the salvage of usable building materials and architectural or stylistic elements/details.
- The County will promote new architectural design that respects the prominent historic architecture of the immediate neighborhood in terms of massing, materials, and architectural style.
- The County will promote that historic buildings and materials be replaced with buildings and materials compatible with neighborhood character.
- The County will encourage the renovations of existing buildings to increase overall energy efficiency without losing building integrity.

4. PROMOTE THE PRESERVATION OF THE ESSENTIAL HISTORIC BUILDINGS IN THE HRI.

- The County will strive to protect all Essential properties and will use all available tools to ensure their continued stewardship and preservation.
- The County will actively collaborate with owners of Essential properties to preserve the buildings' historical and material integrity to the maximum extent possible.
- The County will require that new development proposals affecting all Essential properties be reviewed by the Historical Affairs and Landmark Review Board (HALRB).
- The County will actively promote Transfer of Development Rights (TDR) in exchange for building preservation. However, a TDR received from a historic site listed in the HRI will not be used on a project that proposes the demolition of another resource in the HRI.
- The County will appropriately weigh the impact on Essential properties when awarding bonus density to development proposals.
- The County will actively encourage owners of Essential properties to take maximum advantage of available financial incentives (e.g., Federal and state rehabilitation tax credits, preservation easements, County real estate tax exemptions for rehabilitations).
- The County will pursue local historic district designation with all Essential properties where owner consent is present, and will give designation priority to those Essential properties threatened with demolition.

5. PROMOTE THE PRESERVATION OF THE IMPORTANT HISTORIC BUILDINGS IN THE HRI.

- The County will strive to protect and reuse of those properties listed as Important.
- The County will collaborate with owners of Important properties to preserve the buildings' historical and material integrity to the maximum extent possible.
- The County will require that new development proposals affecting Important properties be reviewed by the Historical Affairs and Landmark Review Board (HALRB).
- The County will encourage owners of Important properties to take advantage of available financial incentives (e.g., Federal and state rehabilitation tax credits, preservation easements, County real estate tax exemptions for rehabilitations).
- The County will encourage owners of Important properties to take advantage of available zoning tools (e.g., site plans and use permits, TDR, local historic district designation).

6. PROMOTE THE PRESERVATION OF THE NOTABLE BUILDINGS IN THE HRI.

- The County will strive to protect and reuse those properties listed as notable.
- The County will encourage owners of Notable properties to take advantage of available financial incentives (e.g., Federal and state rehabilitation tax credits, preservation easements, County real estate tax exemptions for rehabilitations).
- The County will encourage owners of Notable properties to take advantage of available zoning tools (e.g., site plans and use permits, TDR, local historic district designation).

7. CONTRIBUTE TO THE LASTING HISTORIC RECORD OF THE COUNTY BY DOCUMENTING HISTORIC RESOURCES LISTED IN THE HRI PRIOR TO THEIR DEMOLITION.

- The County will require through site plan and use permit conditions and coordination with historic preservation staff the formal recordation of historic resources ranked as Essential and Important in the HRI prior to demolition.
- The County will require that Essential buildings to be demolished in whole or in part through the site plan or use permit process will be subject to the most detailed level of historic documentation according to the Historic American Buildings Survey (HABS) standards (to include a research report, measured drawings, and photographs).

- The County will require that Important buildings to be demolished in whole or in part through the site plan or use permit process will be documented prior to demolition, and to include HABS-level photographs.
- The County will encourage whenever possible, through site plan and use permit conditions, basic photographic documentation of historic resources ranked as Notable and Minor in the HRI prior to demolition.
- The County will maintain copies of all historic documentation materials, both hard copy and electronic formats, for reference purposes and they will be available in the Historic Preservation Program office.

8. CONTINUALLY INTEGRATE HISTORIC PRESERVATION PLANNING PRINCIPLES INTO COUNTY POLICIES.

- The County will incorporate the Phase 1 HRI list of ranked historic properties, the HRI Goals and Policy Objectives, and the HRI Tool Kit into current planning efforts, initiatives, and studies.
- The County will integrate the HRI into the County's permitting processes.
- The County will conduct biannual reviews of the Phase 1 HRI list in January and July to reflect demolitions, historic designations, identification in new County-adopted plans, or other changes as necessary.
- The County will conduct subsequent phases of the HRI to address the study and protection of additional types of historic resources, and those phases will also be incorporated into current planning efforts, initiatives and studies.
- The County will explore additional preservation tools and incentives in the future, as staffing and work program requirements allow.

HRI TOOL KIT

The HRI tools listed below are to encourage preservation by ensuring that historic buildings are, at a minimum, renovated to the current building code and workable for another several generations. They are to be used to encourage property owners to reinvest in their properties in order to derive better profits as well as be good stewards. All of the tools listed are currently available to the County, and none of them require any new State legislative action.

Available Financial Tools

Federal and Virginia Tax Credits for the Rehabilitation of Historic Buildings: In order for property owners to take advantage of the Federal tax credit program, the affected historic property must be considered eligible for or listed in the National Register of Historic Places as a “certified historic building.” The National Register, which is maintained by the National Park Service, is a celebratory listing of the nation’s most worthy historic buildings, sites, districts, structures, and objects. Listing provides no demolition protection, requires no special local design review for alterations, and does not encumber a property owner’s right to sell, lease, alter, or demolish his property. In Virginia, any building listed in the National Register generally is included in the Virginia Landmarks Register. As with National Register designation, listing in the state’s register is merely honorific and offers no additional protections or imposes any restrictions. However, in order to qualify for the State rehabilitation tax credit program, the affected property must be listed in the Virginia Landmarks Register.

There are currently 67 Arlington listings in the National Register of Historic Places, ranging from individual buildings and sites to entire historic districts and neighborhoods. For future proposed listings, the County’s Historic Preservation Program (HPP) staff can undertake or assist with all the necessary historic research and complete all of the required nomination forms. Both the Virginia Department of Historic Resources and the National Park Service require owner notification and consent prior to submission of the designation.

The Federal and Virginia rehabilitation tax credits can be taken singly or combined, depending if the affected property is income-producing and/or owner-occupied and considering the overall amount of money spent on the rehabilitation project compared to the existing building values. The Federal tax credit is 20% of the eligible renovation/rehabilitation expenses and includes both hard and soft costs.¹ The credit itself reduces one’s Federal income tax liability at a dollar-for-dollar rate. If one’s tax credit is greater than his annual tax liability, the remaining credit is carried into the future

¹ Hard costs may include structural and mechanical work, materials, upgrades, etc. to the historic building. Soft costs may include architectural and engineering fees, construction period interest and taxes, construction management costs, and reasonable developer fees. For detailed information about eligible expenses, visit www.dhr.virginia.gov/tax_credits/tax_credit_faq.htm.

for a period not greater than 10 years or until the credit reaches zero. In comparison, the State tax credit is similar in that it is a dollar-for-dollar credit off one's State income tax liability. The State tax credit is 25% of the eligible renovation/rehabilitation costs, and can be carried into the future for a period no greater than 10 years or until the credit reaches zero. Both programs require minimum levels of reinvestment and all qualified rehabilitation work must be approved by the Federal and State tax reviewers. The Federal and State rehabilitation tax credits also can be combined with other types of financial credits, such as for affordable housing.

Arlington County is among the most active participants in the State rehabilitation tax credit program. Since 2002, individual owners of 157 historic residential properties (single-family homes and condo units) throughout Arlington invested more than \$18.6 million dollars in rehabilitation costs. Of this total, more than \$4.6 million dollars have been awarded to these Arlington property owners as state tax credits. An additional 53 renovation projects are active and currently been deemed eligible for State tax credits upon completion of the work. Multi-family residential properties, including Historic Ballston Park, Gates of Ballston, and Fisher House, also have successfully taken advantage of the State tax credit program and have yielded millions of dollars worth of rehabilitation credits. Two additional complexes, Westover Apartments and a portion of Colonial Village, are also incorporating the tax credits into their current renovation projects. To date, only one Arlington commercial property owner has taken advantage of the Federal and State tax credit program and received \$375,000 worth of credits.

The *Historic Preservation Master Plan* recommends that the County continue to publicize the financial benefits of the Federal and State Rehabilitation Tax Credit programs.² Adoption of the Phase 1 HRI list offers an excellent opportunity for staff to continue to actively educate owners of HRI-listed properties about the advantages of the tax credits and the application processes. In addition, HPP staff will partner with other DCPHD staff in the Planning and Housing Divisions to promote the rehabilitation tax credits and to determine how historic garden apartments in particular could benefit from both preservation and the retention of affordable housing. Such a collaboration and open dialogue between staff and property owners has the potential to increase the financial viability of a renovation or development project.

Preservation Easements: The establishment of preservation easements is a non-governmental approach to protect historic buildings.³ Preservation easements are placed on property deeds and are entered into by both the property owner and the easement holder, generally a non-profit organization with preservation interests such as the Northern Virginia Conservation Trust. Governments can also hold preservation easements. The easement language specifies the level of preservation, whether it covers the entire building envelope or simply the building facade. An owner who enters into a

² *Historic Preservation Master Plan*, pp. 18, 49.

³ For more information on preservation easements, visit www.preservationnation.org/resources/legal-resources/easements/easements-faq/what-is-an-easement.html.

preservation easement agrees to maintain the building in good condition and make no changes without the permission of the easement holder. In exchange, the owner can receive a charitable tax deduction for the difference in property value between leaving the building at its current size and what would have been allowable through development. There are several buildings in Arlington with architectural preservation easements, including the HRI-listed Underwood Building and the Old Dominion Building. The HPP staff will collaborate with property owners, as well as with Planning and Housing staff, when discussing development projects in order to explain the advantages of preservation easements, especially in site plan proposals affecting Essential and Important-ranked historic buildings.

Local Real Estate Tax Exemptions: Local property tax abatement is another financial tool identified as a feasible preservation incentive in the *Master Plan*.⁴ The Arlington County Code Chapter 20-10 allows partial tax exemptions for certain rehabilitated multi-family residential real estate. In order to qualify, properties must be at least 25 years old. Completed renovations must increase the assessed building value by 20 percent or more without increasing the total building square footage by more than 30 percent. The allowable tax exemption is equal to the tax otherwise due on the increased assessed building value resulting from the rehabilitation. Effective on January 1st in the year following the rehabilitation, the exemption runs with the real estate in the same amount for ten years, then for an additional five years during which the exemption amount is reduced each year by a rate of 20 percent from the original basis. The building must remain a multi-family dwelling and the units leased to others than those who own an interest in the property. A similar local tax exemption is offered for commercial properties ranging from a minimum age of 20 to 30 years and located in specific exemption districts along Columbia Pike and Lee Highway, as well as in Crystal City and Nauck. To apply for either the residential or commercial tax exemptions, owners must complete an application in consultation with the Department of Real Estate Assessments.⁵

The HPP staff, along with Planning and Housing staff, will actively promote these available tax exemptions when meeting with property owners, particularly those who own Essential and Important buildings in the HRI. The exemptions are a valuable financial incentive to offset local taxes upon renovating an existing building, and when combined with other available financial tools such as Federal and State rehabilitation tax credits, can result in even more substantial savings for owners.

Available Zoning Tools

Site Plan and Use Permit Processes: The site plan and use permit processes have proven to be very effective tools for managing and merging new development with historic preservation interests. In recent years, increased redevelopment activity,

⁴ *Historic Preservation Master Plan*, p. 53.

⁵ For more information on the County's partial real estate tax exemption program, visit www.arlingtonva.us/Departments/RealEstate/Forms/RealEstateAssessmentsForms.aspx.

particular in the Metro corridors and along Columbia Pike, has resulted in many successful site plan projects that have incorporated historic buildings in whole or in part, many in collaboration with the Historical Affairs and Landmark Review Board (HALRB). The introduction of preservation planning principles into County-adopted plans (i.e., Clarendon Sector Plan, Columbia Pike Form Based Code, and Fort Myer Heights North Plan) has positively influenced the site plan process in regards to the sensitive treatment of historic buildings in development proposals. Preservation elements also have been added to site plan condition language regarding salvage of historic building materials prior to demolition, photographic documentation of historic elements, and archaeological procedures in the event that historical artifacts are uncovered during construction.

Some of the zoning districts in which properties in the Phase 1 HRI are located don't currently have a site plan or use permit option, unless the project involves in affordable housing. As new plans are developed for areas in which these properties are located, staff will explore developing new zoning tools that might permit site plan or use permit options.

Transfer of Development Rights (TDR): Historic Preservation is an eligible sending purpose under the adopted TDR policy. A TDR is a transaction between two property owners that allows the development rights from one site (donating site) to be utilized on another property (receiving site). The value of TDR is the amount of density that passes from the donating site to the receiving site. While it puts limits on the donating site for its future potential development, it allows the receiving site to increase the allowable density for its site plan project.

HPP staff will explore pre-certifying all Essential and select Important buildings in the Phase 1 HRI list as TDR donating sites, with input from the HALRB. The HPP staff and HALRB will be actively involved in the review of TDR proposals affecting historic buildings in the Phase 1 HRI list. The *Master Plan* specifically recommends that historic preservation provisions be integrated into the existing TDR policy language.⁶

Local Historic District Designation: Established by the County Board as per Section 31A of the Arlington County Zoning Ordinance, local historic district designation provides a protective zoning overlay over an entire property, including the building(s) and grounds. Unlike National Register designation, which is purely honorific, local designation requires a special design review process prior to issuance of County building permits for all proposed exterior alterations, new construction, or demolition. The HALRB oversees this design review process and issues Certificates of Appropriateness (CoAs) for approved projects in Arlington Historic Districts. Some alterations, including the installation of fences, HVAC equipment, and satellite dishes, can be reviewed administratively by HPP staff to streamline the approval process. The *Master Plan*

⁶ Ibid., p. 55.

recommends that the County pursue the creation of additional local historic districts, both individual sites and multiple-resource districts.⁷

There are currently 31 Arlington Historic Districts throughout the County. Any Arlington citizen may nominate a property to be considered for local historic status, as outlined in Section 31A. The County HPP staff and the Survey Committee of the HALRB undertake all the necessary research and complete the nomination forms in collaboration with the property owners. Although the County has the legal authority to initiate, pursue, and designate properties as Arlington Historic Districts without owner consent, this has not been standard County practice.

Available County Resources

Consultation with County Staff: The County's HPP staff is available for individual consultation with interested owners of HRI-listed properties. It would be especially advantageous to meet on-site in order to experience the property in person. The HPP staff can answer questions related to a property's history, HRI ranking, options for preservation and development, or other questions that owners may have. It should be stressed that staff is willing to meet during any phase of project development, though meetings during early planning phases are ideal.

Consultation with the Historical Affairs and Landmark Review Board: The HALRB is a 15-member citizen advisory board appointed by the County Board. Established in 1976 under the Arlington County Zoning Ordinance, the HALRB serves multiple functions, including the: 1) designation of properties as local historic districts; 2) review of plans for exterior alterations, demolition, and new construction in local historic districts through a Certificate of Appropriateness (CoA) process; 3) review of site plan proposals and issues affecting historic resources throughout the County; 4) advise the County Board on historic preservation matters; and 5) education of citizens and visitors about historic sites and preservation in Arlington County.

Over the past decade, a surge in redevelopment projects through the site plan process has resulted in the preservation of several historic commercial buildings, particularly in Clarendon, as well as renovations of large-scale garden apartment complexes, most notably Buckingham Village. Additionally, the inclusion of preservation planning principles and the identification of specific historic buildings to be preserved in various County-adopted plans and policies (e.g., Clarendon Sector Plan, Columbia Pike Form Based Code, and Fort Myer Heights North Plan) has also resulted in the increased involvement of the HALRB in the review of those projects. Some, though not all, of the affected sites are designated as Arlington Historic Districts; regardless, the HALRB willingly engaged in focused dialogues with site plan applicants and their architects on the proposed architectural design schemes and their impacts on affected historic resources, whether officially historically designated or not. These conversations were

⁷ Ibid., p. 53.

productive and well-received by applicants, with the final County-approved designs having benefited from the HALRB's insightful comments and feedback.

Some examples of recent site plan projects that featured the preservation of historic buildings and likewise incorporated elements of new development and that were reviewed in consultation with the HALRB include the: new Halstead at Arlington and the former Arlington Hardware on Columbia Pike (now P. Brennan's); Joseph L. Fisher Post Office; Dan Kain Building (now Lyon Hall); Underwood Building; and 1900 Wilson Boulevard (across from Colonial Village). Because of this history of successful HALRB involvement, the HALRB will offer design consultation on future site plan projects affecting those historic buildings listed as Essential and Important in the HRI.

County acquisition of threatened historic resources: Although not typical County practice, the County does have the legal authority to purchase historic resources if owners are willing and funds are available. The two most recent occurrences involved the acquisition of the Arlington Lustron Home and Buckingham Village III. In April 2006, the County Board accepted the donation of an historic all metal Lustron home from the property owner who offered it free of charge to the County since he planned to demolish the house. The County allocated funds for the disassembly and storage of the house so that a new use could be determined and it could be permanently rebuilt. The Arlington Lustron was loaned in 2008 to the Museum of Modern Art in New York City and featured in a major exhibition on prefabricated architecture. After remaining in storage for several years, and with no available funding to permanently rebuild the Lustron locally, the County Board recently authorized the donation of the disassembled home to the Ohio Historical Society in Columbus. The Lustron will become part of the Society's permanent collection and will be rebuilt and interpreted for educational programming, once again bringing Lustron history into a greater national spotlight. Another example of County acquisition of historic property occurred in 2009 when the County purchased Buckingham Village III as a trade-off in a redevelopment proposal to demolish neighboring Villages I and II. Since acquisition, Village III was designated an Arlington Historic District in June 2007 and is currently under renovation.

As funding permits, the County will consider additional acquisitions of historic properties, particularly those Essential and Important resources threatened with demolition or of the utmost value to an immediate neighborhood or the greater community. Upon acquisition, the County would reserve the right to reuse the property at its discretion. As an alternative, the County could enter into a lease agreement for its use by a tenant, or even sell the property provided arrangements are made for its continued preservation.