Long Range Planning Committee (LRPC) Meeting

Administrative Guidance for Office Conversions

AED/CPHD
October 13, 2020
Structural Shifts in the Office Market

• Identified structural shifts in the commercial office market relative to land use mixes in long-range sector plans and approved PDSPs

• Observed reduction in office demand -- nationally, regionally and locally -- over the past decade resulting limited economic feasibility for speculative multi-tenant office buildings

• Changes in local and regional supply that has impacted some long-range plan assumptions on feasible use mix

• Traditional office demand and feasibility coalescing around established or rapidly emerging submarkets with critical mass office clustering and strong transportation infrastructure and amenities

• Evolution of “how we work” and what constitutes office space

• Further uncertainty regarding impacts of COVID on office market
Need for a Planning Framework

• Anticipated site plan and comprehensive planning reviews that would need to address proposed or considered changes in planned or entitled office uses

• Neighboring jurisdictions are actively addressing issues around use flexibility
  – Alexandria and Fairfax County have adopted policies related to this issue and have approved projects implementing them whereas Arlington County has approved projects with no guiding policy to date
Regional Office Conversion Examples

Image credits: JBG, ARExA, Cooper Carry, Thomas Arledge Photography
Purpose of the Administrative Guidance

In advance of evaluating the appropriateness of new office conversion requests, staff developed this administrative guidance for use during staff review, community discussion and CM recommendation to the CB on the proposed conversion. This guidance is not CB policy, and does not change existing CB policy or alter existing land use processes.

Provide consistently applied administrative guidance on Key Areas of Consideration when reviewing office conversion proposals.
Purpose of the Administrative Guidance

What it IS intended to do

• Provide a clear and consistent framework for staff analysis:
  – Does a requested office conversion support or negatively impact long-term land use goals in Arlington’s mixed-use neighborhoods?
  – Is a requested conversion a function of short-term market fluctuations, or systemic shifts that have fundamentally changed the appropriateness and feasibility of a planned office use?

• Input into existing community review process discussions

• Inform CM recommendation for CB consideration
Purpose of the Administrative Guidance

What it IS NOT intended to do

• Establish a quantitative, metric-based approach to consideration of a requested conversion
  – Each proposal should be reviewed relative to its own unique context, with the Guidance proving a consistent framework/“language”

• Challenge use mix, comprehensively, as an element of long range land use plans or approvals (Guidance is applied to each proposals’ unique context)

• Provide a presumption to land owners that a conversion is pre-approved or anticipated
  – Although conversion discussion may occur in early stages of community review process to allow for the effective consideration of other site plan elements
Other Issues Related to Conversions

The Admin Guidance will address one specific issue – the appropriateness of a requested conversion of a planned or entitled office use to an alternative use.

It will not directly address other key questions that may be intertwined with such a conversion request, and may require additional administrative, policy or ordinance efforts:

• The allocation and earning of density during a conversion
• The allowed uses in the zoning ordinance that could provide for an alternative use
• The motivation and capital allocation to utilize existing or planned office sites for civic uses
When the Guidance will be applied

- Site plan proposals within a PDSP where density was allocated for office use
- Site plan proposals where sector plan guidance indicates a preference for an office use
- Site plan proposals that amend an approved office site plan where the nature of the office use was a critical component of the approval
- Formation of or updates to future long range planning processes
## Key Areas of Consideration

To inform discussion of community, CM and CB consideration of potential divergence from CB policy guidance or previously approved entitlements

<table>
<thead>
<tr>
<th>Area</th>
<th>Considerations</th>
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<tbody>
<tr>
<td><strong>Existing Policy/PDSP Approval Guidance</strong></td>
<td>• Nature and intent of existing approval or guidance</td>
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<td><strong>Support of other long-range planning goals</strong></td>
<td>• Furthering goals of plan (relative to delayed activity), impact on transformative goals</td>
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<td><strong>Conversion results in an equally or more desirable land use</strong></td>
<td>• Land use balance, daytime/nighttime activity, economic sustainability, housing goals</td>
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<td><strong>Structural office demand and clustering</strong></td>
<td>• Current and future critical mass as key component of office feasibility</td>
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<td><strong>Adjacent areas of significant office capacity/ supply</strong></td>
<td>• Capacity changes since approval/policy, connectivity to adjacent existing and future clusters, HQ opportunity</td>
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<td><strong>Transportation Infrastructure</strong></td>
<td>• Transportation and impact on structural office market competitiveness</td>
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<tr>
<td><strong>Amenities</strong></td>
<td>• Neighborhood amenities and impact on structural office market competitiveness, impact on population balance</td>
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<td><strong>Site/building constraints</strong></td>
<td>• Site or building characteristics that limit office feasibility</td>
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<td><strong>Innovations/creative work spaces</strong></td>
<td>• Inclusion of use mix that furthers work space innovations</td>
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Anticipated Public Review Process

When a site plan application is submitted that seeks a conversion in use from office and the use mix is specified either by an approved site plan or adopted plan

- Office is the Use Specified per the Approved Site Plan or PDSP
  - Use mix issue is addressed at the initial SPRC meeting
  - If broader issues are highlighted that require further analysis related to conformance with adopted policy, LRPC review may be warranted prior to further SPRC review
  - Use conversion is analyzed throughout the SPRC process with a focus on converted use and associated issues for mitigation

- Office is the Use Specified per an Adopted Area/Sector Plan
  - LRPC review precedes SPRC review
  - Focus of LRPC review is conformance with adopted Area/Sector Plan
  - Review may result in an update to the Area/Sector Plan or Zoning Ordinance Amendment which may also require ZOCO review
Next Steps

Informational briefings: LRPC, EDC, NAIOP, Chamber

Admin Guidance document and related materials will be posted

Anticipated upcoming application of Guidance:

– Potomac Yard Land Bay C

– Clarendon: review of sector plan guidance in anticipation of site plan review