

A Report Summarizing the Status of Revitalization Activities For Lake Anne (Reston)

The content is reformatted material from a study of the *Administrative and Organizational Alternatives to Manage A Comprehensive Community Reinvestment Program* for the Lake Anne Village area, Reston, Virginia, in 1995, and a 2004 update completed in 2004 by Patrick F. Kane, a Reston-based community reinvestment planning specialist.

**Prepared for the
Fairfax County Office of Revitalization**

**Prepared by
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Lake Anne Revitalization Area Update

Summary of Revitalization Activity for Lake Anne Plaza

The most significant project facilitated by Fairfax County Department of Housing and Community Development was the repair and renovation of the Plaza common areas, completed in 1995. This project was funded through a combination of Community Development Block Grant funds, bonds, and loans taken out by Lake Anne of Reston Condominium Association.

Recognizing these improvements would not sustain the future of Lake Anne, the County's Department of Housing and Community Development commissioned Patrick F. Kane, a community reinvestment specialist, to conduct "A Study of Organizational and Administrative Alternatives to Manage a Comprehensive Community Reinvestment Program."

The report stated that the project recently completed would not be sufficient to counteract and overcome the multiple problems threatening the sustainability and vitality of Lake Anne Village. In order to ensure long-term vitality and sustainability, a comprehensive community reinvestment program would be necessary.

Because of the complex ownership patterns and economic interrelationships, the study stated that a new entity would be needed to carry out a reinvestment program of this magnitude. Because of the complex financial interrelationships, the entity should have an entrepreneurial incentive. The study examined the resources, charters, and orientation of the existing Reston-oriented organizations and institutions that could possibly carry out a reinvestment program. The study concluded a new, hybrid Reston Community Reinvestment Corporation (RCRC) should be created to carry out a comprehensive reinvestment program to address the future of Lake Anne Village Center.

The RCRC was formed in 1997 and was designated by the County in January, 2004, as the local entity to represent the community's interests in the County's revitalization efforts currently underway. Following this, the Fairfax County Housing and Community Development issued a \$4,999 purchase order to Patrick Kane to update the 1995 study and prepare this status report.

Designation as a revitalization area opens up the opportunity to prepare a revitalization plan as provided for by the Commonwealth of Virginia. As a revitalization area, a number of very powerful tools are available to assist in accomplishing the reinvestment objectives. These tools include: benefit from the expedited project review known as the green tape process, waive regulatory criteria, grant tax abatement, advance loans and grants, construct infrastructure, and use the power of eminent domain if necessary to assist with accomplishing project objectives. The power of eminent domain has been vested with the Fairfax County Redevelopment and Housing Authority.

Other recommendations in the 1995 Kane study include: establish a Reston Museum to compile the artifacts and lessons the country's most innovative new town can offer. The mostly volunteer-run, citizen-supported museum opened in 1997. The study also recommended Reston

Community Center open a facility in Lake Anne Village, and this was opened in 1998. The Reston Community Centers are funded by the Reston Small Tax District 5.

Since the study was completed, progress has been made in the advancement of rail mass transit in the Dulles Corridor. The current plans call for an interim station at Wiehle Avenue. Preliminary discussions have begun regarding the use of the Village Centers as satellite parking areas for the mass transit stations. Lake Anne is already a connector bus transfer station. To accommodate more mass transit users, additional parking provisions will be necessary.

Little change has occurred since 1995 in the nature of the assets and liabilities that must be addressed when considering reinvestment. These are as follows:

Assets

- Lake Anne itself and the Plaza are possibly the most attractive and aesthetically pleasant places in Northern Virginia if not the region, with fountains, internationally known architecture, sculptures, waterfront restaurants offering patio dining with international cuisine, eclectic shops, galleries, pleasant pathways, gardens and landscaping, and seating areas.
- The lake supports a variety of wildlife, including ducks, the great heron, and fish. Sailboats, kayaks, canoes, and float boats take advantage of the lake.
- The opportunity to participate in the revitalization of a place of the stature and importance of Lake Anne Village will attract many investors and designers. A design competition would attract broad interest.
- Lake Anne Village continues to attract a wide cross section of visitors, locally, regionally, and internationally. In its 40th year, it still draws tours on the strength of its design. The attractions of Lake Anne Village bring a broad variety of visitors, including parents with children in strollers, out of town visitors, tours, senior citizens engaging in spontaneous conversation, and young people courting, office workers enjoying some fresh air, and walkers who cross through the Plaza while using the RA trails.

Liabilities

- The area has a parking problem. There is insufficient parking to support new or expanded uses. Currently, the parking lot fills up occasionally, particularly when the Community Center has events or during the child care center pick-up time. New uses cannot meet County parking requirements. The entrances to the parking lots are constricted. Off-street loading restricts the traffic flow.
- The Plaza lacks sufficient critical mass of retail and entertainment. The number and size of merchants is not large enough to support promotional and marketing efforts.
- Individual users cannot switch between heating and cooling unilaterally. The central air conditioning system that serves Lake Anne Village must adhere to SCC regulations.
- Aging and obsolete building elements do require expensive repair and improvement.
- Village center lacks visibility from adjoining road ways. This problem is compounded by overgrown perimeter landscaping.
- The Lake Anne Condominium is made up of the majority of the buildings within the historic core. It owns the Plaza and receives no public financial assistance for the maintenance,

repair or replacement. Heavy debt has been incurred for building and plaza repairs, forcing condominium fees to noncompetitive levels.

- The overall *pattern of ownership* within Lake Anne Plaza is convoluted and laced with cross-easement agreements. The assembly of land and property for reinvestment will be exceptionally difficult.
- In order to interest private investment in this type of environment, some form of *public partnership* will be necessary. Typically, real estate investments have a difficult time meeting community desires and expectations because they do not always meet financial feasibility criteria used by lenders. A public/private partnership is a way to bridge the gap between an acceptable return on investment by a developer and the interests of a community for better reinvestment and revitalization. In other areas of the country, the public contributions to the partnerships have included tax abatement, loan guarantees, and grants. The mechanisms for these have been referred to as “service districts.” In the case of Lake Anne, we may need a VID (Village Improvement District).
- All reinvestment projects will require *numerous approvals and permits* each with the potential for considerable stakeholder involvement. Among the reviews required, beyond the usual government agency reviews, are the Reston Association Design Review Board, the Condominium at Lake Anne, and the County Historic Commission.
- There is an *inherent conflict* between the *interests of merchants and residents* who want a peaceful environment. For example, restaurants would attract larger crowds if they were allowed to play music. When this has occurred, residents have complained about the noise. People having fun are sometimes thought of as being disruptive. Potentially negative loiterers have been replaced by lingerers who behave as if these spaces were their own front yards and patios.

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Appendix 1:

Road Map

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Step 1: Create an education and information program

Step 1.1: To identify the message, we need to determine the target: is it Lake Anne Plaza (LAP), the condominium, or the Lake Anne Village (LAV). At this stage, the primary message will probably be that the future of Lake Anne Plaza is potentially threatened. A second element of the message is that significant changes will be necessary in order to prevent disaster or decline. Free market economists sometimes advocate the need for disaster in order to lower the prices or to reduce real estate prices to a point that change can occur. Unfortunately, this approach results in considerable hardship to the stakeholders. Prevention is much more cost-effective.

Step 1.2: Identify audience

Stakeholders suggested categories:

Residents

- Owners and residents of residential condominium units further subdivided into Heron House and the units above the shops
- Owners and residents of housing units attached to the Plaza, Washington Plaza Cluster
- Owners of immediately adjacent residential units, with connecting pathways to the Plaza and part of the initial group of Reston housing units built (Hickory Cluster, Water view Cluster, Crescent Apartments, Lakeside Condominium, Lake Anne of Reston, Fellowship House-Lake Anne)
- Owners of other nearby residential complexes with connecting paths, part of the initial group of Reston housing units built (Fairway, Inlet, Coleson, Mediterranean, Wainwright, Governor's Square, South Shore Road, among others)

Non-residents

- Owner-operated businesses
- Tenant-operated businesses

RCRC members, public sector representatives (staff and policy makers)

Every one of these groups has a different agenda for the operation of the Plaza. Some need it to access their property; some use the Plaza itself (e.g., the outdoor tables) as part of their business operation. The educational program will have to have to address each of these audiences.

Step 1.3: Establish education strategy

The strategy will identify collateral materials in methods of dissemination: newspapers, cable TV shows, and organization and school presentations. Next, it is necessary to train and prepare presenter advocates to deliver the message.

Step 1.4: Establish the program

Within the context of the current Hunter Mill District's Supervisor's and Fairfax County's approach to public policy, citizen involvement will be necessary in order to establish support for a program of what, how many, and where. The stakeholders in Lake Anne Plaza all have some background in community design and they will all have their own ideas or perceptions. Therefore, an essential part of the community participation element must begin with education in order to better equip the participants for more meaningful discussions. A questionnaire to seek community input and allow citizens to begin thinking about the issues that may concern them was developed for a project in Arlington County. This survey is attached.

Step 2: Formulate and refine stakeholder goals and objectives.

Step 2.1: Analyze stakeholder goals and objectives to find the commonalities and contradictions. (See suggested approaches to securing stakeholder input in like-named attachment.)

Step 2.2: Suggest a consensus to serve as a basis for program development.

Step 2.3: Return to stakeholders for confirmation of the suggested consensus.

Step 2.4: Adjust the goals and objectives, if necessary or appropriate.

Step 3: Prepare the development program.

Step 3.1: Elements of a development program will address land use and function, access and circulation, traffic, parking and loading, and aesthetics and environmental considerations. Illustrations should be used as examples of the kind of development that would occur within the development program. At this stage, the development program should be very conceptual and diagrammatic. Photos and/or drawings from elsewhere can be used to assist stakeholders visualize how the program could be achieved. This will allow stakeholders to embrace the basic concept before the debate over details. In order to assist stakeholders to understand the concepts, images illustrating the basic concepts should be secured.

Step 3.2: Test the program against the objectives.

Step 3.3: The development program and the results from the testing should be reviewed again with the stakeholders, and the development program modified if appropriate.

Step 3.4: The scope raises many questions. Often revitalization projects seek to answer these questions with economic studies and analyses. An objective of the stakeholder input process described above is to identify the types of questions that must be answered. Possible questions are: How are real estate values of the Condominium and Lake Anne Village affected by the viability of Lake Anne Plaza? What is the appropriate critical mass of interrelated activities to establish market synergy? How large a market will be necessary to support the uses and activities desired or needed by the stakeholders? What can be done to make Lake Anne Plaza competitive with other areas in the market: Is it branding, is it the mix, is it an anchor, is it the

visibility, is it promotion? Will the development opportunities justify and support necessary infrastructure such as structured parking, road realignments, and subsidized uses of the targets? Experience in numerous similar projects suggests that economic questions can only be answered within the context of a development program. A development program requires the support of the stakeholders.

Step 4: Establish the revitalization plan.

Step 4.1: Identify available resources; confirm the power and authority parameters within the context of the RCRC, and the County and State laws and regulations.

Step 4.2: Determine return on investment.

Step 4.3: Assess market constraints and steps that can be taken to overcome or mitigate these constraints.

Step 4.4: Identify sources of financing.

Step 4.5: Prepare a financial pro forma to identify economic returns on investments. The revitalization of Lake Anne Plaza, Lake Anne Village, and Lake Anne Condominium will require significant financial commitments.

Step 4.6: Determine a timetable to carry out the elements of the plan.

Step 4.7: Identify what approvals are needed to proceed.

Step 4.8: All of the above becomes the basis of the revitalization plan. Plan elements often include a land use plan, an acquisition plan, a disposition plan, development controls, a public improvement plan, and a legal plan. Many revitalization plans deal with controversial change and seek to mute the controversy by attractive images. These are typically referred to as urban design plans. Without a solid development plan as a foundation, urban design images are often not cost-effective.

Step 5: Establish criteria for evaluating partnership proposals or candidates. See attached recommendations previously developed to establish a framework for crafting the terms of a deal or partnership agreement, including methods for amending the terms.

Suggested questions for the public partner to ask the potential private sector partner:

What do they expect the public partner to bring to the deal? And what will the public partner receive in return for their participation?

How well do they understand the difference between real estate development and community building?

Do they have staying power, depth, and attitude, so they can be more concerned with creating value instead of profit and cash flow?

How do they plan to seek stakeholder needs and desires, as input for the formulation of the development program?

Appendix 2:

PERSONAL COMMENTS AND REFLECTIONS

Further attention is needed in the following subjects: Demographic analysis, property ownership and value trends, revitalization goals and objectives, development controls and criteria, approaches to working with free-market groups and developers, a road map for future studies and activities, redevelopment constraints, and marketing ideas and concepts.

Ideas for Consideration

A number of ideas have been generated by the author and others while discussing the future of Lake Anne. These include:

- Market repositioning beginning with the name change from Washington Plaza to Lake Anne Plaza.
- Co-marketing with the Air and Space Museum Annex. This Air and Space facility is expected to attract many visitors who will use the airport area as their base for their Washington visits.
- The GRCC is currently involved in developing a revised Reston Quality of Life brochure. Presumably, this information will become part of the collateral provided by the GRCC at the Reston Visitors Center and distributed to the Air and Space Annex visitors.
- Encouraging outings to historic Lake Anne by creating a marketing program to capture the airport-based tourist market.

If a broad-based marketing program is initiated, the Lake Anne Plaza has to be repositioned to tell the Reston story. Perhaps story boards could be placed within the Plaza area. This technique could also be used to draw people along the Heron House walkway, which currently is underutilized.

Development Program

This is perhaps the most challenging step because it will address the sensitive issues of increasing residential density and adding more nonresidential space. The economic future of Lake Anne Plaza will require some fundamental changes while recognizing that all these changes must respect and retain the basic architectural character of the historic district. The development plan must recognize and strengthen the interdependence of the residential and nonresidential users. The plan should include components such as: land use, density, view easements, circulation and parking, and height and bulk architectural treatments. A possible approach to discussing height in a development plan might be to make sure that no additional structures can be visible from the center of the plaza over the existing buildings. Possible circulation criteria include the establishment of designated pedestrian walkways that will require adjoining properties to have display windows, and welcoming entryways that will draw people into the Plaza area.

In order to create a development plan for revitalization, the effective stakeholders must be involved. This again will reflect a significant challenge because the stakeholders come in many forms. A great many people in Reston believe they own the Lake Anne Plaza, even though the actual ownership is held by the Condo. This issue has both financial and emotional components and must begin with an education process. This study is intended to provide a starting point for

discussion. Care has been taken not to dwell on the problems of Lake Anne Plaza because there are ongoing real estate transactions underway. Suffice it to say, there are problems which must be addressed in order to secure the long-term viability of the Plaza and its supporting uses. Because Washington/Lake Anne Plaza was the cornerstone of all of Reston's development, its viability will affect the quality of life and investment values in Reston and this section of Northern Virginia.

There is a difference between reality and perception. Perceptions are often described in descriptive adjectives: fanciful, beautiful, romantic, inviting, welcoming, and friendly. There are probably many more. For each positive adjective, there is an opposing negative adjective: uninviting, uninteresting, dull, boring, harsh, stark, frightening, and intimidating. All of these adjectives reflect a combination of use and appearance as well as the characteristics of the people who occupy the space. The stakeholders of other places designed to attract public assembly have addressed these issues. Significant lessons can be learned in many of the revitalization areas in California. Potentially negative loiterers have been replaced by lingerers who behave as if these spaces were their own front yards and patios.

Lake Anne Plaza has problems. These problems include the deterioration consistent with the Plaza's age and use, and functional obsolescence. Perhaps the largest problem relates to the distribution of responsibility for the operation and maintenance of what is effectively a public place. There is a dichotomy between the interests of the residents and nonresidential owners and occupants. A balanced approach to managing change and sustaining the future will be a formidable task as noted in the postscripts. The management plan for the future must begin with a broad-based education program. The Plaza at Lake Anne was the initial marketing cornerstone for all of Reston. A recent transaction in the Town Center valued the land at \$2 million per acre. This value reflects the impact that Lake Anne as the beginnings of Reston has had in transforming this place into an exceptional urban investment. Sustaining the Plaza is an important responsibility for everyone interested in the future of Reston.

Appendix 3:

RCRC Objectives

RCRC has adopted a statement of goals as follows:

GOAL: The revitalization of the Lake Anne Village Center as an economically sustainable mixed-use neighborhood centered on the original Washington Plaza core.

The following principles are key to achieving this goal:

1. The historic core plaza and fronting buildings must be preserved in compliance with Fairfax County historic overlay district guidelines.
2. The original economic, social and architectural plan for Lake Anne Village neighborhood, never fully realized, should serve as a compass point. This plan included:
 - a. Significantly greater residential density.
 - b. Regular use of Washington Plaza for Reston-wide special events and as a community meeting place.
 - c. Promotion of Lake Anne Village Center as a regional destination spot.
3. Likewise, revitalization plans should take into account those elements that are now recognized as critical for economic and social sustainability in a mixed-use neighborhood:
 - a. A critical mass of retail and commercial activity.
 - b. Parking sufficient for an automobile-based clientele.
 - c. An improved income stream to support the marketing and specialized services need by the retail and commercial properties.
4. Consistent with the village center design principle of using high and moderate density as a tool for preserving open space and preventing sprawl, revitalization planning for Lake Anne should explore multistory development of vacant parcels and air rights above existing parking areas.
5. The Board of Supervisors designated Lake Anne Revitalization area boundaries will most likely need to be extended to include contiguous properties.
6. County support will be needed to insure the success of any revitalization plan, as will a combination of public and private investment.
7. Broad-based grass roots citizen support throughout the process, particularly in the Village neighborhood, is mandatory for success of any revitalization plan.
8. The benefit accruing to each landowner through a united effort will outweigh that which would result from individual action.
9. The architectural design must be of superior quality and in keeping with the character of the historic core.