

**CITY COUNCIL RESEARCH DIVISION  
LEGISLATIVE SUMMARY**



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**Bill Type and Number:** Ordinance 2021-159

**Introducer/Sponsor(s):** Council President at the request of the Mayor

**Date of Introduction:** March 9, 2021

**Committee(s) of Reference:** F

**Date of Analysis:** March 11, 2021

**Type of Action:** Authorization to execute economic development agreement; authorization of REV grant; designation of oversight agency; waiver of Public Investment Policy

**Bill Summary:** The bill authorizes the execution of an economic development agreement between the City and Theotokos Holding, LLC to support the conversion of a vacant office building on Arlington Expressway into approximately 118 market-rate housing units. The City commits to providing a Recapture Enhanced Value (REV) grant of up to \$820,000 to assist the project. The Office of Economic Development is designated as the City's oversight agency for the project. A portion of the Public Investment Policy (PIP) is waived to permit the REV grant without the project meeting the usual requirements that 10 new full-time jobs must be created and that the project must be for a targeted industry.

**Background Information:** The company proposes to convert the existing vacant office building located at 7820 Arlington Expressway into 118 market-rate apartments at a total estimated cost of \$14,545,000. The City agrees to provide a REV grant representing 75% of the net incremental new taxes generated by the property for 10 years (maximum \$820,000), provided the developer invests at least \$11million in the project. If the private investment falls below \$11 million then the REV grant will be adjusted from 75% of net new taxes to 50%; if the overall investment falls below \$9 million then the grant will be terminated. The Office of Economic Development reports that the return on investment calculation is positive for this project, and the Regency Square/Arlington area in which the building is located is a Level II Economically Distressed Area.

**Policy Impact Area:** Arlington area redevelopment

**Fiscal Impact:** The City commits to a REV grant not to exceed \$820,000 payable over 10 years.

**Analyst:** Clements