

## MEMORANDUM

**TO:** Charles Montfort, Chairman, 4MRV Working Group  
Members, 4MRV Working Group  
Arlington County Staff, 4MRV Working Group

**FROM:** Kathleen McSweeney and Elizabeth Gearin, Planning Commission Representatives to the 4MRV Working Group

**DATE:** May 17, 2017

**SUBJECT:** Recommendation to include a Working Group Statement of Support to Retain Industrial Zoning and Small Business in the 4MRV Area

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At our previous 4MRV Working Group meeting, the group reviewed and discussed draft principles, attempting to reach consensus on several points. Included among these was a call to express support for retaining the small businesses located along Four Mile Run that provide needed services to the community. There was discussion but no consensus reached that the working group believed it necessary to include a statement supporting the existing or future small businesses. In fact, a few members spoke out against including such a statement as part of our principles.

We urge the working group to re-consider, and reach consensus at a future meeting around the following:

- 1) Express the desire and support to retain much of the industrial zoning in this area, recognizing that there may be limited areas (like the edge of the study area abutting Nauck) where the 4MRV Plan could recommend more flexible zoning;
- 2) Express support for the retention of small businesses along Four Mile Run, some of which require industrial zoning and provide unique services to Arlington County residents, including catering, auto body repair, breweries and pet-related services. The 4MRV plan can and should include long-term planning for if and when businesses close and are sold, but that should in no way hinder our ability to express support to retain the small businesses along Four Mile Run and in the 4MRV study area.

What follows is a brief discussion of each point above.

### **Retain Industrial Zoning in the 4MRV Study Area**

A simple Google search on the topic of industrial zoning shows that urban communities around the country are grappling with the loss or re-zoning of remaining industrial zoned areas. For Montgomery County, MD, Anita Morrison of Partners for Economic Solutions provided a land use presentation outlining the value of Industrial Zoning for placement of arts, light industrial and technology/maker uses and as a tool for business retention, while noting the growing market pressures to convert those areas

to more standard commercial and residential uses. <sup>i</sup> She cited industrial zones as important to retention of small “PDR” businesses (production, distribution and repair), and as flexible, lower cost areas suitable for arts and entrepreneurial incubators.

In a March 2016 article in the Journal of the American Planning Association called “Smart Growth’s Blind Side,” authors Nancey Green Leigh and Nathanael Z. Hoelzel argue that urban communities that follow the smart growth model tend to undervalue areas zoned for industrial uses. They believe that this is short-sighted, since these areas tend to provide the last affordable locations for small businesses and business incubators in a planned community. <sup>ii</sup>

The following are examples of 4MRV businesses that require industrial zoning: warehousing and storage, concrete batching plants, breweries, catering, and service providers that board pets. Auto body and auto repair services do not all necessarily require industrial zoning, but have been pushed into this area over time due to higher paying uses in other areas of the County. <sup>iii</sup>

Neither working group nor business community owners nor members of the public could be faulted for believing that a goal of this study is to re-zone the industrial areas along Four Mile Run. The 4MRV Briefing Book includes two statements on page 7 that could be read to discourage the retention of Industrial Zoning in the 4MRV area. They are bullet point (2): "Due to trends and market conditions, projections show that traditional industrial uses will continue to decline to the point of being insignificant by the year 2020" and bullet point (3) "The County does not need industrial uses to perform successfully anymore." These comments lack context that would explain they were meant to refer to the decline in heavy industrial uses in Arlington, which traditionally include manufacturing plants and large distribution centers. <sup>iv</sup> That, along with a prior presentation by Dover Kohl in which recommendations for re-zoning were discussed, could lead one to conclude that this study and plan will do away with industrial zoning. The suggestion they intended to make was more nuanced; it is possible that a small area on the edge of Nauck or abutting the park area could be re-zoned to provide some flexibility in uses, but the intent was not to suggest a wholesale re-zoning from industrial in this area. County staff has stated this publicly at meetings and in email exchanges when the question was raised. <sup>v</sup>

### **Express Support for Retention of Businesses in the 4MRV Area**

The charge to the 4MRV Working Group (amended July 19, 2016) contains several statements that may be read as supporting the retention and potential expansion of small businesses in the study area, along with other existing uses. <sup>vi</sup> In the first paragraph on page 2 of the Charge, the Working Group is directed to recognize “...the **current tenure and demand for existing uses**, trends and analysis of how this light industrial area supports Countywide public and private demands over the long term, **including small and innovative business retention and attraction**, and the potential for the appropriate new uses and adaptive reuse opportunities that will be consistent with the Area Plan vision” (emphasis added).

Further statements referring to the economic contributions and viability of small business are included in the discussion of the key study elements on page 4. The second bullet lists one County objective to “Identify an economically viable mix of uses, incorporating, where appropriate, both existing and future uses that contribute to the sustainability of the neighborhood and the County as a whole, given that this

area currently supports uses that are unique in the County.” The fourth bullet directs the Working Group to “Define and evaluate the feasibility of opportunities to incorporate a range of existing uses into the future of the study areas, specifically including community non-profit organizations (e.g. SEEC, AFAC, and others), cultural uses, industrial and commercial uses.”<sup>vii</sup> Economic viability is called out specifically, and surely pertains to revenue-producing, commercial businesses located in the area.

A few facts about the businesses in the 4MRV study area may help this discussion. Over 140 (about 147, to be exact) small businesses employ over 2100 skilled laborers in the 4MRV study area. Half of these employees live 5-10 minutes from their jobs. 58% of the customer base is from Arlington. Many of these businesses are family-, minority- and woman-owned.<sup>viii</sup> The tax revenue generated from businesses in the 4MRV area is over \$400,000 annually.<sup>ix</sup>

A Google search for “industrial business and arts uses” results in a host of examples where cities are successfully planning for a co-location of these uses. In one example, six U.S. cities (Chicago, Portland, San Francisco, New York, Boston, Philadelphia and Vancouver, BC) were reviewed as urban areas where medium to light industry successfully mix with arts and cultural activities, and provide examples to which Arlington should be looking. In several cases, the city or region not only mentions the desire to retain businesses in their plans, but has provided grants and incentive programs for site expansion in or relocation to such areas.<sup>x</sup> Cities like San Francisco have struggled to retain the arts and industrial businesses that provide the cultural and economic diversity that help a community thrive.<sup>xi</sup> We would argue Arlington has seen a decrease in the same sort of cultural and economic diversity over the last two decades, and the 4MRV study area seems like an ideal location where Arlington County could staunch this loss.

Closer to home, Alexandria VA engaged in an Industrial Land Use Study in 2015, and called out “PWR” (Production, Wholesale Distribution and Repair) and Maker Uses as economically desirable. They conclude that “ today’s industrial/light industrial base includes a range of creative and start-up “maker” businesses that include craft manufacturers, food production and distribution - including breweries and distilleries, media and communications, arts and creative uses, shared office spaces, and green industries.”<sup>xii</sup> Just over the border, Alexandria is planning to retain the mix of businesses they already have in industrial areas, and to plan for whatever merging industries the new economy sends their way. Arlington will be left behind in this regional competition if we do not adequately plan, and the 4MRV Planning process is one area where these emerging industries could find a home.

During the Columbia Pike Working Group planning process, members frequently expressed concern over the lack of tools to retain small businesses along the Pike. During the County Board discussion prior to adopting the Columbia Pike plans, Board members also raised the concern that small businesses could be driven out. There was a recognition that the County makes considerable efforts to retain diverse communities by providing affordable housing, but was not adequately finding tools to address a parallel community need to retain small businesses. Like 4MRV, a large number of the small businesses along Columbia Pike are family-, minority- and woman-owned. Note the proximity of Columbia Pike to 4MRV. Why would we miss the opportunity to define this area as a place where small businesses is welcomed, and provide a place where businesses driven from Columbia Pike could land?

Please reconsider the inclusion of support for both retention of industrial zoning and the businesses that serve Arlington in this 4MRV study area as part of our Working Group principles. If nothing else, please add this issue to the list of topics to take up with County Board members to hear their perspectives when we meet in the scheduled work session, scheduled for May 30, 2017.

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<sup>i</sup> Morrison, Anita; Partners for Economic Solutions, October 3, 2013;

[http://www.montgomeryplanning.org/research/documents/industrial\\_land\\_use\\_trends.pdf](http://www.montgomeryplanning.org/research/documents/industrial_land_use_trends.pdf)

Note: Ms. Morrison is also a consultant to Arlington County staff on the 4MRV Study area, and has addressed the working group.

<sup>ii</sup> Nancey Green Leigh & Nathanael Z. Hoelzel (2012), "Smart Growth's Blind Side," Journal of the American Planning Association, 78:1, 87-103; <http://dx.doi.org/10.1080/01944363.2011.645274>

<sup>iii</sup> List of business types requiring Industrial Zoning provided by Richard Tucker in an email to Kathleen McSweeney on May 16, 2017. Breweries were also listed by staff, but a brewery (Sehkraft) did exist in a mixed-use residential building until it closed earlier this year. Another (BrickHaus) is opening on Columbia Pike. Mr. Tucker clarified that the use is an important distinction: if the business brews beer, serves food and identifies as a restaurant, then it can be located in commercial and mixed-use areas. If the business identifies as a brewery and distribution center, then it is located in an industrial area.

<sup>iv</sup> These quotes were raised to Richard Tucker, Chikwe Njoku, Kathryn Thomas and Jill Griffin in a May 16, 2017 email. Mr. Tucker clarified that these quotes pertained to heavy industrial uses only that have declined in Arlington, and not the medium to light business uses that exist now in the 4MRV area. Only the concrete plant could be considered a heavy industrial use.

<sup>v</sup> Ibid. In the same email, Mr. Tucker stated unequivocally that the plan will not call for re-zoning of any property in the 4MRV. As of May 17, 2017, the County does not have any zoning-related recommendations. He does anticipate that the Working Group could recommend tweaks to make existing zoning more flexible, but we are not at a point in the planning process to discuss or contemplate such recommendations.

<sup>vi</sup> From page 2, Arlington County's *Four Mile Run Valley Working Group and Charge, adopted April 16, 2016 and amended July 19, 2016*. <https://arlingtonva.s3.dualstack.us-east-1.amazonaws.com/wp-content/uploads/sites/31/2017/05/Charge-Four-Mile-Run-Valley-Working-Group-7-19-16.pdf>

<sup>vii</sup> Ibid, page 4

<sup>viii</sup> Business Association Presentation at April 12, 2017 meeting with property owners. Posted on the Arlington 4MRV documents website: [https://arlingtonva.s3.dualstack.us-east-1.amazonaws.com/wp-content/uploads/sites/31/2017/04/4MRV-Revised-April-12-2017\\_South-Four-Mile-Run-Business-Association.pptx.pdf](https://arlingtonva.s3.dualstack.us-east-1.amazonaws.com/wp-content/uploads/sites/31/2017/04/4MRV-Revised-April-12-2017_South-Four-Mile-Run-Business-Association.pptx.pdf)

<sup>ix</sup> Source: Jill Griffin, Arlington Economic Division, based on CY 2015 information from the Commissioner of the Revenue and is the sum of Business License, Business Tangible and Custodial (Meals, Transient and Occupancy) taxes paid by businesses in the 4MRV area.

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<sup>x</sup> PSRC Industrial Land Use Study (Industrial Land Analysis for the Central Puget Sound Region), March 2015, *Chapter 2: Review of Industrial Trends and Peer Cities*; <https://www.psrc.org/sites/default/files/indlandchapter2.pdf>

<sup>xi</sup> “Can we stop the displacement of arts space and industry” in *48hills*, a publication of the San Francisco Progressive Media Center, June 1, 2016. <http://48hills.org/2016/06/01/13460/>

<sup>xii</sup> City of Alexandria, *Virginia Industrial Use Study*, Department of Planning and Zoning, July 2015 (draft) <https://www.alexandriava.gov/uploadedFiles/planning/info/IndustrialStudyJuly2015.pdf>