

# Mixed Use Development: *A Model that More than Pays for Itself*



## Mixed Use Developments

The first six existing mixed-use development projects in the City (Broadway, Byron Spectrum, Read Building, Pearson Square, and now Northgate) contain a total of 720 dwelling units, a combination of apartments and condos. In School Year 2014/15, 183 FCCPS pupils reside in these buildings for an overall ratio of 0.25 pupils per unit.



These six mixed-use projects yielded about **\$7.1 million** in gross, direct, annual tax revenue to the City from real estate and personal property taxes, as well as taxes generated by business tenants in these buildings. On a per-pupil basis, the mixed-use projects contribute about **\$38,688** per year for every pupil who lives in these buildings – more than **double what they cost the City** in services, including schools.

In addition, developers of the first six mixed-use projects have contributed about **\$3.4 million in cash** for school capital needs.



## Single Family Homes

In contrast, 0.63 pupils, on average, lived in the City's 2,368 single family homes last school year. Based on the 2014 mean value of \$716,000 for a SFH in Falls Church and the current real estate tax rate of \$1.30.5, the average real estate contribution of a SFH, combined with the average personal property tax, is just under **\$10,400** per year.



The average annual cost of a pupil in FCCPS is **\$15,703** as measured by our fiscal impact model. On average, a SFH in Falls Church **contribute less** in annual real estate and personal property taxes than the average annual cost of a pupil in FCCPS.

Furthermore, residents of SFHs do not make special school capital contributions in large lump sum payments. If the citizens of Falls Church approve bond referendums for new school facilities, the additional taxes associated with debt service for those bonds are also shared by mixed-use development residents.

There are two main drivers behind the results highlighted here:

1. mixed-use projects have far fewer pupils per dwelling unit than SFHs; and
2. revenue produced by commercial activity in mixed-use buildings contributes significantly to the City's overall revenue yield.

In aggregate, **mixed-use development has proven itself a reliable generator of millions of dollars each year in new tax revenue and positive net fiscal impact for the City.** Pupils generated by these projects account for a fraction of the growth in the City's school population, which comes primarily from older apartments and the turnover in SFHs from older owners to younger families.