

July 11, 2024

The Honorable Jeff McKay
Chairman At-Large
Fairfax County Board of Supervisors
12000 Government Center Parkway
Fairfax, Virginia 22035-0042

Dear Chairman McKay and Members of the Board of Supervisors,

The Northern Virginia Association of Realtors® (NVAR) has a longstanding history of supporting commercial development that benefits the regional economy. A robust economy leads to a healthy housing market, adequate public services and facilities, world-class schools and potentially lower real estate taxes.

As such, NVAR is disappointed in the Data Centers Zoning Ordinance amendment currently proposed. While it does mitigate some of the problematic issues facing data centers in proximity to residential development, it is also clearly designed to limit and even discourage the future growth and utilization of data centers in Fairfax County.

Northern Virginia, and more specifically Fairfax County, has long been considered the economic engine of the Commonwealth, but the region's economy is not as robust as it once was. Commercial real estate in Northern Virginia has suffered in recent years with high vacancy rates and Census Bureau data shows that more talent is leaving the D.C. metro area than arriving. One of the few recent bright spots in our regional economy has been the growth of data centers throughout the region, particularly in neighboring Loudoun and Prince William Counties.

NVAR represents more than 12,000 Realtors® and real estate service providers who generated over \$12.5 Billion in sales volume and over 15,900 transactions in 2023 alone. These Realtors®, perhaps more than any other constituency, understand the concerns some residents have expressed about the siting of data centers and their impact on communities, infrastructure and resources in Fairfax County. However, some claims have been made which are not backed by data, and we cannot let these narratives drive policy decisions that will have a lasting impact on the economic viability of Fairfax County.

One of these narratives often raised by opponents of data centers is the potential financial impact on neighboring home values. This same argument is made against other commercial and industrial uses, and even against high-density residential development. The data, however, does not support this argument. Sales data shows that there is no significant impact between the proximity of a data center and the value of a home in Fairfax County. In fact, home values and the median sales price for residential real estate continues to increase across Fairfax County and in neighboring Prince William and Loudoun Counties despite the growing presence of data center development.



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This is not to say that we believe data centers have no impact on surrounding homes. Realtors® throughout the region can provide anecdotal evidence that the view of a data center from a home may have an impact on the marketability and “curb appeal” of the home, but these homes continue to sell and continue to increase in value in the competitive Northern Virginia real estate market.

Please know that NVAR does not oppose everything in the proposed ordinance. Transitional screening and natural barriers are already required by ordinance, but increasing enclosure requirements to provide visual screening and reduce noise would go a long way to improving the quality of life for neighboring residential properties. Design standards which make data centers look more appealing are also a key to making data centers more acceptable to homeowners.

Similarly, NVAR supports establishing limitations on data centers in proximity to metro stations. The Realtors® have long supported transit-oriented development (TOD) principles centered on building high-density residential and mixed-use properties within a defined proximity of mass transit. We need people living and working near Metro to create vibrant communities and reduce traffic congestion. Traditional data centers are not a good fit for TOD projects, but options should remain for innovative mixed-use designs even if they have a data center component.

The rest of the proposal, however, does little more than make it harder for data centers to develop in the county.

The proposal “down zones” commercial districts, eliminating a by-right development option. It sets arbitrary size thresholds and setback requirements which are already adequately addressed by the county’s zoning ordinance. And it puts in jeopardy plans that are already submitted and well on their way to approval by not providing exemptions for developers of projects which are currently in the planning process.

The need for data centers is not going away. The global, digital economy’s expansion, and the advent of generative AI will ensure there is continued demand for this commercial use. Our region is already the global leader in data center development, and we need to embrace this role, not run from it. Fairfax County needs the benefits that data centers bring: job creation with good wages; commercial development with minimal impacts to transportation systems or schools; and positive commercial tax revenues.

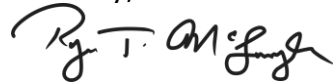
We all know the importance of housing affordability and attainability to the future success of our region. The ability to reduce tax burdens on homeowners, as our neighbors in Loudoun and Prince William have done, goes a long way to supporting a healthier housing outlook.

This is why NVAR does not support the ordinance as written. NVAR supports a zoning policy that balances the tremendous economic benefit of continued and expanded data center development with smart growth and sustainable development

practices that can help alleviate community concerns that have arisen across the region. We urge Fairfax County to instead adopt a policy that does not punish or discourage data center development, but does ensure the location, design, and community impacts of future data centers are compatible with the surrounding area.

Thank you for your consideration of our concerns and recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Ryan McLaughlin". The signature is fluid and cursive, with the first name "Ryan" and last name "McLaughlin" clearly distinguishable.

Ryan McLaughlin
Chief Executive Officer

CC: Vice-Chairman Kathy Smith (Sully)
Supervisor James Walkinshaw (Braddock)
Supervisor Jimmy Bierman (Dranesville)
Supervisor Rodney Lusk (Franconia)
Supervisor Walter Alcorn (Hunter Mill)
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