

Incorporating Reston – Dream or Nightmare?

By William Nicoson

By reason of its superior planning and committed civic institutions, Reston is perceived by residents and visitors alike as a well-defined community. Yet Reston lacks the most defining of all community attributes: legal incorporation under a legislative charter establishing boundaries within which it exercises powers of local government. Recently community leaders have given renewed support to the concept of incorporating Reston as a town or city or even as part of the Town of Herndon.

Reston's incorporation could bring big economic advantages to residents and some disadvantages to businesses. If Reston Association's activities were carried out by a local government, the property taxes of most residents would drop since businesses, now under no obligation to fund RA, would become subject to the same property tax as residents. Furthermore residents would be able to deduct from federal income taxes the property taxes collected to support town activities formerly funded by RA assessments which are not currently deductible.

A study by RA's Blue Ribbon Panel last year indicated that the savings to residents as a whole might be as high as 58% of current assessments and that related property taxes of businesses might rise by 8%. Because taxes, unlike RA's current flat assessment, would vary with assessed value, owners of property of lower value would benefit more than owners of property of higher value.

The Panel was reviewing the financial results of creating a tax district to fund RA activities, but the results would be the same if Reston were incorporated – except, of course, that costs of administration of a town or city might well exceed administrative costs now borne by RA. For example, the annual tax increment paid by Herndon residents for town government is 32 cents per \$100 valuation. The combined tax increment of Reston Community Center (6 cents) and RA (10 cents, projected pro forma from last year's budget) is only 16 cents per \$100 valuation, or one-half the increment paid by Herndon residents.

Reston's history has been marked by repeated and concerted efforts every few years to incorporate Reston as a town. In 1979, the Virginia House of Delegates offered a town charter for Reston which was rejected in a referendum of Reston residents. The negative majority embraced both residents who believed that the economic advantages just mentioned would be overcome by establishing a costly new bureaucracy and residents who believed that the range of activities offered by the legislature's charter (RA and RCC current activities plus garbage collection) was in any case too limited to merit approval. Planning and zoning in Reston would have continued to be the responsibility of Fairfax County.

Major efforts were undertaken by activists and RA committees to review governance of Reston in 1987-88 and 1994-95. Nothing came of these efforts. Memory of past failures are now

sufficiently dim that new leaders are prepared to accept the challenge.

The first order of business will be to seek amendment of the Virginia Code which provides that in any urban county executive form of government (such as Fairfax County), “no unincorporated area...shall be incorporated as a separate town or city...” (Sec. 15.2-817). This provision must not have been in force when Reston considered a town charter in 1979.

The next sticking point will be, as before, the powers which the General Assembly will confer on Reston as a town. Planning and zoning are the critical powers, and it can be expected that Fairfax County supervisors will lobby strenuously against withdrawing those powers from the county for the benefit of a town.

But even if the General Assembly is persuaded to do so, the withdrawal of power from an urban county may well require a referendum of county residents in addition to the referendum of Reston residents. Would a majority of county residents vote to approve such a power give-away now? Most unlikely.

And even if they did, they would certainly be unlikely to approve a rebate of taxes paid by Restonians to the county for planning and zoning services. Thus Restonians would likely be obliged to pay twice for its own independent planning and zoning.

The incorporation road is winding, steep, foggy and dangerous. Many of the benefits of incorporation would be realized by establishing a simple tax district to replace almost all current assessments in funding RA. The Blue Ribbon Panel placed this option before the RA Board which has yet to consider it. Compared to incorporation, the tax district option does have one downside: no RA director could run for mayor.

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