

**City of Falls Church
Economic Development Authority
Business Meeting Minutes - APPROVED
Tuesday, January 5, 2016 – 7 p.m.
Falls Church City Hall – Dogwood Room
300 Park Avenue, Falls Church, VA 22046**

I. Call to Order – The meeting was called to order at 7:04 p.m. by Chairman Novotny.

EDA Board Members Present: Mike Novotny, Barry Buschow, Bob Young, Erik Pelton, John Sandoz, and Brian Williams.

EDA Members Excused: Ed Saltzberg.

Youth Representatives Present: Tyler Gogal and Kiran Menon.

EDO Staff: Rick Goff and Becky Witsman.

City Staff Present: City Manager Wyatt Shields, Assistant City Manager Cindy Mester and Principal Planner Paul Stoddard.

Public Attendees: City Council Member Letty Hardi, Planning Commissioner Lindy Hockenberry, Steve Selby (PRAB), Nick Benton, Kieran Sharpe, Mary Van Leuven, Patrick Miller, Durand Truong, and Laura Gogal.

II. Approval of December 1, 2015 Minutes

Mr. Buschow moved approval of the minutes, seconded by Mr. Pelton; and approved unanimously.

III. Petitions from the Public: Mr. Sharpe read a prepared statement that called for the formation of a “Campus Confirmation Committee” to “develop sample scenarios for the George Mason/Mary Ellen Henderson campus project in a public process.” The statement described a process to involve “a broad cross section of the community” to “assess how to develop the most desirable yet feasible educational and commercial features for the site.” The statement also provided some detail about how the committee would go about its work and produce “at least two scenarios...for the community to compare with the proposed project that comes out of the official procurement process well before the summer and in preparation for a fall 2016 referendum.”

Mr. Sharpe explained that business owner and City resident Steve Trundle is participating in the proposed effort and would fund the committee’s work. Mr. Sharpe added that support from VPIS, the EDA, Environmental Service Council, the Planning Commission and general public is being sought to move the effort forward. He responded to some questions and comments from board members. Mr. Buschow suggested putting the proposal on the board’s agenda that evening or at a later meeting.

Some board members expressed their support for the effort and others asked for additional information. There was a question about the appropriateness of the EDA, in its advisory role to City Council, going on record in support of a private group such as described by Mr. Sharpe. The board deferred the matter to a future meeting for further discussion and possible action.

Ms. Hockenberry announced that she was reappointed as the Planning Commission's liaison to the EDA for 2016.

IV. Petitions from the Board: None.

V. New and Continuing Business

a. Update on W. Broad Street Small Area Plan

Mr. Stoddard reviewed the status of the proposed plan, which has included reviews by the EDA, other City boards and commissions, and a recommendation by the Planning Commission to City Council to adopt the plan. He said that City Council is scheduled to consider final review and adoption of the plan in the next 30 days. He reported that several property owners in the planning opportunity area (POA) have formally expressed their concerns that the proposed plan discourages greater development density at certain locations. Mr. Stoddard said that the EDA must address any further recommendations it may have directly to City Council at this point.

Mr. Stoddard then presented a PowerPoint summarizing the plan and highlighting changes and items that the EDA had discussed at length in August. He said that concept maps in the plan remain the same as previously reviewed by the EDA and noted that a number of commercially-zoned properties were labeled as mixed-use or office "up to four stories." He acknowledged that the EDA had encouraged greater height through zoning changes on many of these land parcels, but the Planning Commission took a different view in its recommendations as reflected in the current draft. Ms. Hockenberry clarified that Planning Commission members were split in their recommendations on this issue.

Mr. Young said that limitations or expressions of a preference in the plan for limited building heights would assure that areas such as the 300 block of W. Broad Street would never be developed because it would not be economically feasible. Mr. Novotny agreed and pointed out that there has been a five-story office building at the NE corner of Little Falls Street and Park Avenue for many years and its presence is inconsistent with proposed future plans for the 300 block. He said that the plan is inadequate for the City to achieve higher density development and desired fiscal impact in commercial areas. He suggested that eight stories in key locations along W. Broad Street are appropriate and desirable urban planning for the area.

The board's discussion and dialogue with Mr. Stoddard continued regarding other blocks west along W. Broad Street. They recommended more locations where eight stories with B-1 zoning should be allowed and encouraged. There were comments that, as presented, the plan remains short-sighted from a development and fiscal impact perspective. The EDA requested that Mr. Goff draft and circulate for board member

comment a memo stating that the EDA would support the plan if it includes changes and clarifications to establish a bolder vision and provide more specificity for overlay districts, density incentives, streetscape design requirements, and pedestrian amenities/improvements, among other content.

b. Downtown Public Plaza

Mr. Novotny reviewed plans for the proposed plaza with a PowerPoint presentation. He highlighted the work of architects Olin Studio, a nationally renowned firm that designed Bryant Park in New York City, among many other notable projects. He explained how the plaza's design – with and without inclusion of the adjacent alleyway – would impact public parking and plaza features. He described three sets of design options and noted that the EDA prefers Option 3b, with outdoor dining, event seating and a water feature.

Mr. Novotny said that the projected cost of the plaza, based on a preliminary estimate, is \$500,000. He added that civil engineering and final architectural work will need to be done. He described next steps, including City Council and City staff support, an evaluation of the alleyway, and project bidding and construction. He called for final EDA consideration of funding, following informal board consensus in December to commit \$500,000 for the project.

Mr. Goff reported that traffic count work was conducted for seven driveways into the 100 block of W. Broad Street to determine volume of usage, with special attention to the alleyway adjacent to the proposed plaza. The owner of the alleyway, Bill Oshinsky, had suggested traffic counts to evaluate the demand for that particular entrance off Broad Street relative to other means of circulation into and out of the block. Mr. Goff said that counts were taken December 10 -12 and the Oshinsky alleyway experienced the third highest volume of traffic during each of the three days despite traffic moving in only one direction (ingress only). The alleyway had the second highest ingress volume among the seven entry points to the block. The CVS entrance off Maple Avenue had the highest ingress and egress volumes, by far, among all entrances. There followed a discussion about the merits of including the alleyway into the plaza design, with the understanding the Mr. Oshinsky must make that final decision.

Mr. Shields thanked the EDA board for its leadership with the plaza project and its commitment of funds. He said that staff is building the project into the City's capital improvement plan (CIP) for FY 2017. He informed the board that the City has limited capacity with engineering staff, who are assigned to other current and proposed projects, many of which are grant-funded and could lose funding if not actuated. Ms. Mester described the CIP process and said it will begin with a presentation of the FY 2017 plan to the Planning Commission on February 22, with final approval in April. She encouraged the EDA to attend that Planning Commission meeting to advocate for the project. She added that a solution for managing the plaza, if approved as a component of the CIP, may be a part-time, temporary staff person, but that would likely require funds in addition to the \$500,000 pledged by the EDA.

Mr. Young made the following motion, seconded by Mr. Buschow:

“The EDA proposes a redesigned, rebuilt and re-purposed public plaza in the 100 block of W. Broad Street. A new plaza will have positive economic, aesthetic and functional impacts on the downtown. In addition to its previous commitment of funds for project design, costing, and planning, the EDA will donate to the City’s Parks and Recreation program up to \$550,000 to build the plaza under the following conditions:

1. The plaza shall be designed consistent with one of the three options created by Olin Studios for the EDA, with preference for “Option 3B” and a water feature.
2. The plaza will be completed within 24 months.
3. The City shall be responsible for managing final project design, competitive bidding, and contract management.
4. The City and EDA will make best efforts to incorporate the adjacent, privately-owned alleyway into the project.
5. The City shall provide ongoing maintenance for the plaza.
6. The City will work with Dominion Power and others as needed to make best efforts to relocate the transformer before or during construction of the plaza.
7. EDA, City Council and others as may be required will jointly review and approve the final plaza design.

If the conditions outlined herein are not accepted or achieved by the City, the EDA shall retain its resources in a landbanking fund for other purposes and opportunities.”

The motion was approved unanimously.

c. Update on Mason Row

Mr. Shields guided the board through recent changes to the Mason Row plan, including:

- relocation of the movie theater from below to above ground;
- relocation of theater parking;
- reduction in the number of apartments from 340 to 322 along with the elimination of a building floor on the Park Avenue side of the project;
- increase in ADUs to 23;
- architectural improvements to the buildings;
- moving a trash loading area from N. West Street to an underground location accessed from the project’s interior;
- alignment of a new traffic light on W. Broad Street with a business access point on the south side of the street;

- designation of a BikeShare station location and an ongoing funding commitment by the developer to operate and maintain the station;
- developer funding of a shuttle to Metro stations for Mason Row residents in addition to a shuttle for the hotel;
- commitments in the developers' voluntary concessions to types and size range of a hotel and a movie theater;
- commitments to a theater lease of no less than 10 years and an executed agreement with a hotel operator for hotel construction, both subject to final SE approval and City leverage to withhold certificates of occupancy for the final 20 apartments subject to the developers obtaining hotel and theater building permits; and
- new fiscal impact projections that reflect program changes in the Mason Row plan.

Mr. Shields then explained the proposed terms of a movie theater admissions tax subsidy agreement for the developer. With the assistance of an outside consultant, the City has verified a financing gap for the developer of \$5.2 million due to extraordinary costs of including the theater in the project. The admissions tax, structured over 20 years, would involve the transfer to the developer of proceeds of a 10 percent local levy on the price of a ticket. The City would receive the first \$20,000 each year in admissions tax revenue and the developer the next \$340,000, with the City receiving any addition tax revenue above \$360,000 each year. The agreement provides for an annual escalator of both the City's share and the overall capped amount.

Mr. Sandoz made a motion to support the Mason Row project and the admissions tax agreement. The motion was seconded and approved by a vote of 5 to 0 with one abstention (Mr. Pelton).

d. New City Economic Development Website

Mr. Goff advised that Ingrid Racine, the City's marketing specialist, was ill and her presentation on the new EDO website would need to be deferred to another board meeting.

e. Election of Board Officers

Mr. Novotny called for nominations for board officers. Mr. Young nominated Mr. Novotny as chairman and Mr. Pelton as vice chairman. Mr. Buschow nominated Mr. Goff as secretary/treasurer. All nominations were seconded and approved unanimously.

VI. Staff Reports

- a. Update on Development Projects:** Deferred due to late hour.
- b. Business Report:** Deferred.
- c. Marketing Report:** Deferred.

VII. EDA Member Reports: None.

VIII. Other Business: None.

IX. Adjournment

Mr. Young made a motion to adjourn, which was seconded, and carried unanimously.
The meeting adjourned at 9:56 p.m.