

**City of Falls Church
Economic Development Authority
Business Meeting Minutes - APPROVED
Tuesday, January 10, 2017 – 7 p.m.
Falls Church City Hall – Oak Room
300 Park Avenue, Falls Church, VA 22046**

I. Call to Order

The EDA meeting was called to order at 7:05 p.m. by Chairman Novotny.

EDA Board Members Present: Mike Novotny, Erik Pelton, Brian Williams, Ed Saltzberg and Rachelle Barimany. Bob Young participated in the meeting by telephone from North Carolina.

EDA Board Member Excused: John Sandoz.

EDA Youth Representative Present: Nathan Holmes.

EDA Youth Representative Absent: Nuki Giorgadze.

EDO Staff: Rick Goff, Becky Witsman, and Ingrid Racine.

City Staff: City Manager Wyatt Shields, Carly Aubrey, and Kim Callahan.

Public Attendees: City Council Members Letty Hardi, Phil Duncan, and Karen Oliver; Planning Commissioners Lindy Hockenberry and Tim Stevens, Commissioner of Revenue Tom Clinton, Lisa Varouxis, Theresa Twiford, Jack Wilborn, and Jack Gosnell.

II. Approval of December 6, 2016 Minutes

Ms. Barimany moved approval of the minutes, seconded by Mr. Williams, and approved unanimously, with Mr. Pelton abstaining.

III. Petitions from the Public: Ms. Hockenberry and Mr. Stevens introduced themselves as newly appointed Planning Commission liaisons to the EDA.

IV. Petitions from the Board: Mr. Williams reported on recent dialogue between the FCCPS interim superintendent, PTA, and EDA members about data on pupils in the school system generated by mixed-use development in the City. Statements were made by the administration that new development has resulted in most of the City's school population growth.

Collaboration between staff and EDA members produced accurate information to counter this assertion. Since 2003 when mixed-use development started in Falls Church, about 25 percent of enrollment growth can be attributed to mixed-use development, while 75 percent has come from all other housing in the City. Tax

revenue generated by mixed-use buildings, including commercial components, averages over \$38,000 per pupil, more than twice the per capita expense for pupils.

Mr. Williams explained that Oakwood, an older apartment complex, produced 30 percent more pupils in School Year 2016-17 than the previous year for a total of 213 pupils. All mixed-use buildings in the City combined produced 214 pupils in SY16-17, with 59 percent of those residing in Pearson Square, a building with large apartment units converted from condominiums. Pearson Square is an anomaly and a model that won't be repeated, he said, adding that the newest mixed-use buildings have been built with a mix of much smaller apartment units with very low pupil populations. From a fiscal impact perspective, mixed-use development has been a very positive and reliable source of net revenue for the City. These facts were conveyed to the school administration.

V. New and Continuing Business

a. Update on GMHS Campus Redevelopment

Mr. Shields provided the EDA with an update on the progress of a work group of City Council, School Board, and staff representatives that has met frequently in recent months to assemble detailed information for the larger elected groups about: school enrollment projections; City financial capacity and policies; the cost and structuring of potential debt; options for school renovation, new construction, or replacement in phases; commercial development opportunities; and other material. He advised the board that they will play a critical role in recommending and evaluating development options for the GMHS site. Mr. Shields said that Mr. Novotny had already contributed valuable analysis and counsel on site planning and development strategy.

Some important meeting dates were announced regarding GMHS site planning: a work group meeting on January 12; and a Small Area Plan meeting on Saturday morning, February 4 at MEH Middle School. Mr. Novotny provided the EDA with some "sketch-up" drawings he has created to assist the work group with its evaluation of GMHS land uses with important implications for school construction and economic development phasing. Mr. Shields concluded the discussion by urging the board to participate in the existing work group structure and to stand ready to contribute later in more specific ways. The EDA thanked Mr. Shields for his report and dialogue with them about campus redevelopment.

b. Update on Downtown Plaza Project

Mr. Goff introduced Ms. Callahan, civil engineer and project manager, who began her update with a review of architects' design renderings of the downtown plaza. She also shared results from a survey and other feedback from the public about preferences for plaza features, with evening lighting, an active water feature, and benches topping the list of responses. She also noted that 87 percent of survey respondents said plaza improvements would make them more likely to visit downtown Falls Church.

Feedback from the board included support for a chalk wall as suggested in the renderings, family friendly features, Little City branding elements, the interactive

water feature, additional space for outdoor dining, electrical outlets for phone charging and food trucks, and seating along the walls dividing the green and hardscaped spaces facing the performance stage. There was consensus that the suggested design solution to create a separated entranceway to the Unity Club was a great idea. Several suggestions for improvements included removal of stones from the water feature, installation of a second chalk wall to help mask the switchbox, a pathway or steps into the green area by the box, benches around the water feature, extension of pavers through the entire alleyway next to the plaza, and widening the entrance between the plaza and the alleyway.

Ms. Hockenberry encouraged Ms. Callahan to present the plaza renderings to the Planning Commission for their reaction, as they will eventually take action on the site plan for the project. She also suggested Ms. Callahan make a presentation to the Arts Council for its feedback.

Ms. Callahan said that next steps include cost estimation work, completion of a revocable easement document for alleyway owner Bill Oshinsky's consideration, and the architects' schematic design. She said the expense of purchasing and installing alleyway pavers on private property will need to be sourced directly from the EDA and not the City, because the city attorney has advised that this is not an eligible public expenditure. This can be done through a memo of understanding tied to the easement agreement between Mr. Oshinsky and the City. Ms. Callahan also cautioned that preliminary estimates for a water feature would add about \$200,000 to the total cost of the plaza project. Mr. Novotny suggested that cost estimate options and detailed design be completed for the plaza with and without the expense of the water feature.

c. Cottage Housing Draft Ordinance - Review and Comment

Mr. Goff introduced Senior Planner Carly Aubrey, who gave an overview of material describing the proposed ordinance. She invited questions and requested EDA recommendations regarding the ordinance by January 27 in anticipation of a second reading and action by City Council on February 13. Mr. Young read the following statement: *"With regard to the proposed cottage housing ordinance, I am a member of a group of three or more persons who may be affected by the ordinance, because I own property that would be subject to the ordinance, and I am nonetheless able to participate in consideration of this ordinance fairly, impartially, and in the public interest."*

Mr. Novotny opened the floor to the public to ask questions and to comment. Mr. Stevens asked about LEED and similar certifications in the ordinance.

Mr. Gosnell had submitted a letter to the EDA in advance of the meeting. He said he supported the ordinance but questioned the need for a requirement of a minimum 45,000 square foot lot size. He said concerns about a proliferation of cottage housing units and strain on the City's infrastructure that might result without a minimum lot size are not warranted because the units are small and attract single individuals, not families.

Board members asked about the need for age restrictions on cottage housing projects proposed under the ordinance. Ms. Aubrey responded that there is a need among seniors for housing options in the City, especially those already living here who want to stay and downsize their living space.

Mr. Wilborn identified himself as an architect who has a working relationship with Mr. Young. He said that age restrictions are tied to validations for reduced parking requirements in cottage housing projects. Mr. Gosnell commented that age restrictions reduce the marketability of this type of housing.

Addressing the issue of a minimum lot size, Ms. Aubrey said the requirement assures a sufficient number of units to make projects economically feasible and to have a “community feel.” Mr. Pelton said he supported the concept because cottage housing will be walkable, sustainable and built on small footprints of land. Mr. Wilborn said there is a huge market demand for a non-retirement community environment for individuals seeking to live independently in a village concept.

Mr. Novotny addressed quality design and building standards and asked how the ordinance would address those issues. Ms. Aubrey said the ordinance contains some requirements, but was not intended to be proscriptive; adding that site plan approval is part of the review process for new projects. Mr. Williams said he supports the ordinance because it adds to the City’s variety of housing and produces net positive fiscal impact. He made a motion to support the ordinance as recommended; seconded by Mr. Pelton. An amendment was suggested by Mr. Novotny and accepted regarding design guidelines and building standards.

The following resolution was approved with five “yes” votes and one abstention (Mr. Young):

The EDA supports the cottage housing ordinance as presented by City planning staff with a recommendation that staff develop design guidelines and standards for quality construction and materials, including precedent images of acceptable versus unacceptable design. The Board envisions these guidelines and standards as outside and supplemental to the zoning ordinance for cottage housing.

d. Holiday Lights: De-installation Expense

Mr. Goff explained that the City arborist plans to take down the holiday tree lights this spring and the cost will be \$2,105. In October, the EDA approved up to \$10,000 for downtown holiday lighting, but specifically stated it did not want the lights removed, so that they can be used throughout the year. Due to the late implementation of the lighting program this year, lights from an existing City inventory were installed with hardware having only a 90-day useable lifespan. The arborist wants to remove the lights before the growing season begins and the temporary lights cause damage to the trees. Thus far, the EDA has expended \$5,699 for the project, so the de-installation cost will bring the total expense to \$7,804. Mr. Goff said he brought this payment request back to the EDA because of the board’s earlier stipulation about not removing the lights.

After some discussion, the board did not agree to pay for the cost of taking down the lights at this time. They expressed concern that no plan for 2017 holiday tree lighting has been proposed and it is premature to commit to removing lights without such a plan in place. They asked to continue the lighting discussion with the City arborist present at a board meeting.

e. Appointment of Technology Zone Review Committee Representative

Mr. Goff told the board that the revised Tech Zone ordinance calls for a three-person application review committee, including a member representing the EDA. He said a representative and an alternate from the EDA should be appointed so that in case the primary rep is unavailable for an extended period, the committee can continue to function and meet deadlines for decisions now are required in the approval process. By a unanimous vote, the board appointed Mr. Williams as its primary representative and Mr. Sandoz as its alternate.

f. 2017 EDA Goals – Follow-up Discussion from 12/06/16 EDA Retreat

Mr. Goff summarized for the board its responses for selecting priorities from the menu of proposed 2017 EDA goals generated at the October annual retreat. Most frequently prioritized by EDA members were the following goals:

- Identify and proactively engage on smaller, high-profile redevelopment sites for EDA acquisition or exertion of influence toward a better land or building use. Invest landbanking funds in a key site.
- Create a beautification and infrastructure improvement plan for contiguous commercial areas of Broad Street, Washington Street and Park Avenue.
- Engage the EDA's expertise to inform and shape development at the GMHS site. This effort should include the City's west end commercial corridor.

Mr. Novotny led a discussion about best ways to implement these goals. Landbanking will require much study to determine feasible targets for EDA acquisition or influence. Mr. Williams and Mr. Young volunteered to work with staff on this. It was suggested that the city attorney be invited to the next board meeting to discuss in closed session strategies for land acquisition. Mr. Goff said he would reach out to Carol McCoskrie to check her availability on February 7.

Beautification and infrastructure improvements were discussed in relation to streetscape initiatives already underway. A combination of outside consulting and staff work was identified as possibly the best approach for identifying needs and solutions.

Board involvement in GMHS site planning for future development has begun with the participation of Mr. Novotny in School Board/City Council Work Group meetings, along with monitoring by Mr. Pelton. The board said it was very

encouraged by the city manager's engagement with the EDA earlier in its meeting and his message that the EDA's input is critical to the planning and decision processes that lie ahead.

A fourth goal discussed briefly was:

- Improve and streamline the City's commercial inspection and approval process. Advocate for businesses going through the process.

g. Election of 2017 EDA Officers

Nominated, seconded, and elected by unanimous vote to serve another year as officers were:

Mr. Novotny, chairman; and

Mr. Pelton, vice chairman.

Both Mr. Novotny and Mr. Pelton accepted their appointments and thanked the board for its confidence in them.

VI. Staff Reports

a. Update on Development Projects

Mr. Goff said the Mason Row developers are hosting an informational meeting for the public about the status of their project. The meeting is January 26 at the Community Center from 7:30 – 9:30 pm. He said there is no new information on the status of an age-restricted building and retail at the Stratford Motor Lodge site. Insight's mixed-use project at Broad and Washington has not been resubmitted in a new application, although the developers have been meeting with neighbors recently.

b. Business Report

Ms. Witsman distributed her quarterly business and real estate report, covering some highlights of particular interest to the board and responding to their questions.

c. Marketing Update: No report due to lateness of the hour.

VII. EDA Member Reports: None.

VIII. Other Business: City Councilman Duncan addressed the board as chairman of the EDC. He described pending decisions and work yet to be accomplished for a referendum on GMHS funding in November 2017. He spoke in favor of a proposal to replace Merrill House with new multi-family rental housing and the possibility of leasable land for an elementary school on the existing site of the E. Fairfax Street apartments. He also said that the pipeline for new development seems to have stalled, although applications are anticipated for projects at the Stratford site and the

corner of Broad and Washington. It was suggested by board members that Insight's development team be invited to an EDA meeting to speak to their proposal for Broad and Washington possibly to gain support and get their project back on track.

IX. Adjournment

A motion was made to adjourn, which was seconded, and carried unanimously. The meeting adjourned at 10:31 p.m.