



RESPONSE TO REQUEST FOR DETAILED PROPOSAL FOR

WEST FALLS CHURCH ECONOMIC DEVELOPMENT PROJECT

RFDP NUMBER 0822-18-GMHS-WFC

SUBMITTED BY:

Falls Church Gateway Partners
4800 Hampden Lane
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Due: August 29, 2018 2:00 PM

FALLS CHURCH GATEWAY PARTNERS (FCGP)





Arts District Hyattsville, EYA

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August 29, 2018

Jim Wise, Purchasing Agent
The City of Falls Church
300 Park Avenue
Falls Church, VA 22046

RE: EYA Proposal, RFDP No. 0822-18-GMHS-WFC

Dear Mr. Wise,

Falls Church Gateway Partners (“FCGP”), a partnership between EYA (“EYA”), PN Hoffman (“PNH”), and Regency Centers (“Regency”), is proud to share our updated detailed proposal for the redevelopment of the George Mason High School - West Falls Church PPEA Property (“Site”). We have assembled a superior team with the creativity, qualifications, capacity, track record, near and long-term vision, and resources to deliver on the important and ambitious goals that the City and community have set for this project. Since our selection earlier this summer as one of the final bidders for the Site, our team has been hard at work. We have redesigned our conceptual site plan to respond to the much-improved High School design connecting our proposed development to the new High School park and entry. We have reached out to potential partners and secured two letters of interest from unique hotel brands, as well as a letter of intent from a potential music venue. We have added a senior housing component to the project in order to deliver a more complete main street in Phase One and to increase our Phase One development program, thereby maximizing Phase One land value. We have conducted a preliminary tax assessment to demonstrate the economic benefit the project would have for the City. And finally, we have analyzed the site financially to determine a land value for the site, and proposed a structure which would enable the City to participate in potential long-term upside. It has been a busy summer, but we are very excited about the vision we have created and look forward to working with the residents of the City of Falls Church and City officials to refine and improve upon our recommended development plan.

Vision. FCGP believes that the City of Falls Church has a tremendous opportunity to expand the City’s existing reputation as a great place to live, work, and play by transforming into an 18-hour per day community. One of the primary goals of the City is to maximize commercial development on the Site in order to deliver the most economic value to the City with the least impact on the City’s best in class schools. In order to achieve this goal, the redevelopment must strive to be more than just another “mixed-use project,” rather, it must be transformational. It must be **AUTHENTIC** so that local residents will be proud of the new neighborhood and come to think of it, and use it as their own. It must be **BOLD** to compete for office tenants, hotel guests, shoppers, and diners who work or visit the Rosslyn-Ballston Corridor, Tyson’s Corner, Reston, and Downtown DC. And, it must be **INSPIRATIONAL**, with civic spaces, unique retail, and a programming plan that is ever-changing and provides experiences that attract repeat local and regional visitors.

4.1 EXECUTIVE SUMMARY

Placemaking. The key to achieving such lofty goals hinges on the art of **PLACEMAKING** and **PLACE-MANAGEMENT**. Think of some of your favorite places to visit in the world. What makes them special? What makes you remember them? Often, it is a unique experience you and those around you are enjoying. Great places bring the community together and encourage people to interact while experiencing something in common. Great places often are immersive environments where art and architecture collide and where everything from the retail signage to the physical materials, from the landscaping to the integrated art and sculpture are curated to provide a unique and authentic experience. Think of Georgetown, or Old Town Alexandria, Historic Annapolis or Middleburg; these places developed organically but have been well manicured and managed to evoke a unique sense of place that encourages visitors to return on a regular basis.

As PNH demonstrated at the Wharf and FCGP's Principal in Charge, Evan Goldman, demonstrated at Pike&Rose, the right ground floor retail merchandising plan and landscape design can create this sense of place, enhance commercial demand, and drive residential absorption. Additionally, Regency Centers is a long term owner and manager and will play a key role in the retail merchandising, placemaking, and place-management for many years to come. Our team believes that we can deliver a curated, experiential environment that, when layered onto the City's already outstanding quality of life, schools, and small-town charm, will attract potential office tenants to the market. See the appendix for an example of a placemaking amenity plan from Pike&Rose submitted as part of their Site Plan as well as images of placemaking in neighborhoods developed by FCGP team members.

Place-management. If placemaking sets the stage, place-management allows the theater to come alive. There is a baseline level of maintenance, landscaping, security, and cultivation of a retail mix required for a neighborhood to feel adequately supported. In addition, truly great places require a natural rhythm of events coupled with moments of surprise and inspiration. They require a large space for gathering as a group as well as intimate settings for private moments. Whether it is rotating art exhibits, music curation, farmer's markets, outdoor yoga, gatherings for families with young kids or a great lawn to see or be seen, a good place-management plan helps to ensure that visitors to the neighborhood have a reason to keep coming back for more.

There are many successful local examples of place-management to draw from. Shirlington takes advantage of a nearby dog park and trails, and stores that cater to folks shopping with their pets to create a loyal following in the community. The District Wharf has quickly become known for live music and entertainment including ice skating, parades, holiday celebrations, outdoor dance lessons, and more, with multiple events per week coupled with a destination food and beverage retail mix. Pike&Rose targets people who crave a healthy lifestyle with one of the largest and most successful farmer's markets in the region, regular yoga in the park, fitness-based gatherings including running clubs, and a retail mix that includes REI, LL Bean, and Nike Running Shop. Most developers lack the experience or commitment to create and maintain a great place-management plan and often push this responsibility off to the local jurisdiction, but one of the greatest strengths of the FCGP team is our extensive place-management experience. Given the proximity of the site to the Mary Ellen Henderson Middle School, the to-be-built George Mason High School, and UVA/VA Tech, we envision a successful place-management plan that responds to the presence of students of different ages by integrating their needs into the new place and creating an environment that is attractive to local Falls Church families of all ages. See the appendix for placemaking and programming vision boards.

Proposed Uses. Our proposal for the development plan is comprised of the following uses:

- Approximately 391,500 SF of Class A commercial office space
- A hotel designed in tandem with a civic space or music venue that can be used to host large meetings and events. See the appendix for several Letters of Interest from hoteliers and a confidential LOI from a music venue.
- A grocery and restaurant anchored retail mix that will make up approximately 10% of the total project square footage.
- A senior housing building to allow residents to age in place within the City of Falls Church
- Approximately 245 units of for sale condominiums
- Approximately 288 units of multi-family apartments
- Approximately 40 affordable housing units
- Nearly an acre open space referred to as the Little City Commons throughout this proposal

Our proposal includes the following unique benefits:

- A grand civic open space that can serve as a gathering place for City residents and visitors
- Flexible open space programmed for desirable uses such as a farmer's market, movie nights on the open civic green, and an outdoor concert series
- A civic/entertainment building in a prime location that links the new George Mason High School and its entry park space to the Little City Commons
- Phasing that allows FCGP to deliver a substantial sense of place in Phase One
- Flexibility on the two remaining future development parcels to allow additional commercial and/or residential development
- A shared central parking garage which will provide the parking needed for civic events, retail, overflow office parking, and the high school
- A financing plan that creates land value and tax revenues for the city to substantially contribute to funding the construction of the new George Mason High School
- A self-imposed Special Taxing District ("CDA") to help fund infrastructure without reducing net tax revenue to the City

FCGP believes that we have come up with a development plan which can achieve the vision and programmatic goals for the City. If selected, we plan to enthusiastically pursue the opportunity to work with the owners of the UVA/VA Tech and WMATA parcels to the northeast. In creating a key linkage from Route 7 to the Metro, the sum of the parts is truly greater than the whole; not only will these additions create a better, more connected neighborhood, but the long-term value of the City's land will also be enhanced. This is similar to how Clarendon Market Commons, which is a great **PROJECT** developed by EYA and McCaffrey Interests and currently owned by Regency, connects and extends to the larger Clarendon **NEIGHBORHOOD**. Our proposed conceptual site plan is flexible and can be easily extended to take advantage of potential development on the UVA/VA Tech and WMATA parcels.

4.1 EXECUTIVE SUMMARY

Concept Plan and Massing Description. The conceptual site plan pictured below was designed to create a balanced mix of uses in response to the Site's key constraints, generating the maximum up-front land value possible, and ensure success by delivering a critical mass of vertical uses, retail, and public space in the initial phase of the project. The massing description and thought process is further explained in Section 4.2.



Key Site Constraints. One of the most challenging site constraints is topography. The Site climbs approximately 26 feet, or two and a half stories, from the intersection of Haycock Road and Route 7 to the center of the Site. For retail to be successful, it requires a relatively flat environment that fosters ease of pedestrian movement and allows for flexibility in retail storefront design, door locations, and outdoor café zones. Relatively flat main streets also encourage people to stroll and linger. The placement of our retail main street is driven by this constraint. It is relatively flat and ideally positioned to allow visibility from Route 7 and is pointed towards the Metro, establishing connectivity and walkability between the Site and the station.

Additionally, the project's key retail anchor is a grocery store (or an alternate retail use). This user necessitates a particular building footprint and column grid, high visibility from the perimeter of the site and ease of access by car. As such this tenant is located in the base of the apartment building and at the most visible corner - the intersection of Haycock Road and Route 7. The store format and associated parking requirements dictate the size of this block and resulting location of New Street 2.

Value Creation for the City. The City has communicated that it hopes to maximize the up-front payment it receives from the winning development team, helping to fund the new high school. Most developers prefer to develop one or two buildings at a time to reduce risk and up-front site development costs. This creates an inherent conflict between the desires of the City and most typical developers. Recognizing this, FCGP has proposed a Phase One plan that includes eight distinct uses, allowing us to develop as much square footage as possible in the

first phase and generate the highest up-front land value for the City. Phase One, highlighted in the conceptual site plan included in Section 4.2, includes office, hotel, senior housing, condominiums, rental apartments, retail, civic/entertainment uses, and a large park/open space. Phase One includes approximately 935,000 square feet of development, which is about 70% of the total development expected to be built on the Site. Not only does this increase land value due to the impact of the “time value of money,” but it also generates tax revenue for the City as quickly as possible. More importantly, the proposed phasing plan allows for the construction of all the site work, public open space and parks, and the vast majority of the proposed retail and civic uses in the first phase of development. This satisfies the need for critical mass and will be essential to attracting best-in-class retailers, a desirable hotel operator, condo purchasers and, most significantly, Class A office tenants. This phasing plan also allows the team to deliver a ground floor and streetscape that is enhanced by active upper floor uses, which is so critical to placemaking and place-management early on in the life of the new neighborhood.

Benefits to the City. Below is a quick summary of the highlights:

- Maximized up-front land payment to fund the construction of the new George Mason High School made possible by careful design and use allocation of Phase One
- Approximately 332,000 square feet of commercial development which generates tax revenue for the City with minimal impact on City schools
- A great mixed use place that can compete for commercial office and retail tenants with Mosaic District, Tyson’s Corner, Arlington and other mature office markets in the area, and generate additional development opportunities on neighboring City owned parcels
- A civic building/music venue that brings the neighborhood alive and creates vibrancy
- A large enough gathering space to hold major City of Falls Church events and social events for local residents
- Nearly an acre of public park space
- Approximately 31 affordable housing units
- 150-200 senior housing units
- A team that has proven expertise in placemaking and place-management, both of which are critical to achieve the goals outlined above

FCGP believes that our updated plan creates a compelling combination of a strong mix of uses, tax generation, and placemaking - all of which will benefit the City of Falls Church in the long run. We believe that our combined capabilities create a best-in-class team, with a best-in-class masterplan. Our team’s proven reputation for successfully engaging with the community, collectively developing a neighborhood vision, and delivering on the promises we make will enable us to maximize the long-term value of the City’s once-in-a-lifetime opportunity. We look forward to working with the City and the community to come up with a plan that expresses our collective vision for the future of the City of Falls Church.

Sincerely,



Evan Goldman
EYA



Shawn Seaman
PN Hoffman



Rafael Muñiz
Regency Centers