

June 8, 2021

James Snyder
Director of Planning and Zoning City of Falls Church
City Hall
300 Park Avenue
Falls Church, VA 22046

Re: Second Submission of Founders Row Phase II (the “Site”); Letter of Transmittal and Justification of Application for a Rezoning a portion of the Site from T-1 to B-1, Special Exceptions to allow Mixed Use, and for a Building Height Bonus (including Statement that Founders Row Phase II Is An Exemplary Project Meeting the Recently Revised Special Exception Criteria for Mixed Use and Bonus Height); includes Statements regarding impacts on existing community facilities; conformance with City’s Comprehensive Plan and Design Guidelines; Net revenues; and review of Affordable Housing Guidelines

Dear Jim:

Please find enclosed a letter of justification for a proposed new development in the City of Falls Church by MCRT Investments LLC. The applicant has contracts to purchase the properties at 1001 and 1003 West Broad Street comprising 2.0756 acres. These parcels are proposed to be redeveloped for mixed use as Founders Row Phase II (the “Site” or “Project”).

This is the Second Submission for this development, which includes wholesale modifications to the program in response to suggestions from the City Staff, Council, Boards and Commissions, and citizen body. The City modified its criteria for approval of mixed-use Special Exceptions after the initial submission, and consequently this letter specifically addresses the revised “Primary” and “Secondary” criteria set out in Section 48-90 (d) of the City Zoning Code. This Second Submission follows the “Technical Guidance” set out in the Staff memorandum dated March 19, 2021.

The City engaged in extensive discussions with the Community of Citizens, Boards and Commissions, and developers active in Falls Church as it considered revisions to its criteria governing proposed mixed-use projects. This community-wide discussion took place before and during the initial submission of Founders Row Phase II. While the Code Changes had not been approved at the time the initial submission was made (contractual commitments affected the timing of the initial submission), the Applicant incorporated many aspects of the development called for by the likely changes to the Primary and Secondary Criteria.

Furthermore, this letter will describe the extensive revisions made to the Founders Row II program at the behest and feedback from various members of the Falls Church body. The program is smaller in nearly all capacities (total density, total residential, and total building height); the architecture and open space is far more diverse and prominent; the commitment to commercial is more expansive; all while



maintaining a 12% allocation to affordable housing, LEED Gold and additional environmentally sustainable design, and other community benefits. This letter will call out these changes, along with addressing the revised Special Exception criteria, and describe how the development meets or exceeds the City's requests.

This letter explains in detail the reasons that justify rezoning of the portion of the site now zoned T-1 to B-1 and approving the requested Special Exception for a mixed-use development with "bonus height." Among the reasons discussed, the City's goals of mixed-use development for this site cannot be achieved in the absence of the requested rezoning which in turn permits the necessary layout, mass, form and design that makes feasible the high quality mixed-use developments required by the City's vision for the future.

As is discussed below, the current T-1 zoning was designed decades ago to provide a rather rudimentary zoning tool to provide for commercial uses typically allowed "by right" in the City's "B" districts prior to the amendment of the B zoning districts so as to allow multi-family residences and additional height beyond the then extant height limits. The City has repeatedly rezoned land bearing the "T" designation to match the B-1 designation of the overall site proposed for mixed-use, as it has reviewed, and later approved, mixed-use developments. Projects sharing this land use dynamic and similar in scale to Founders Row Phase II, include Akridge's Gateway and Hekemian's Northgate Projects on North Washington Street.

The owner of the Project will be Mill Creek Residential Trust ("Mill Creek"). Mill Creek is one of the largest mixed-use developers in the United States and in the Metropolitan DC area, including the owner/developer of Founders Row in the City of Falls Church. Mill Creek has also developed Modera Mosaic in Merrifield, Modera Avenir Place at the Dunn Loring Metro station, Modera Sedici and Modern on M in Washington, DC, and Modera Tempo in Alexandria.

The Mill Creek team behind this submission, chiefly Sean Caldwell (Executive Managing Director) and Joe Muffler (Managing Director), is the same team that has interacted and presented directly to the public for the initial phase of Founders Row. This includes Walter L. Phillips (civil engineers), Baskin, Jackson & Lasso (land use attorneys), Wells and Associates (traffic consultants), along with a new architect, Odell Partners. There is a contiguity with the previous application team that provides the City the reassurance that the program and process will be thoughtful with a spirit of open dialogue and conversation with City Officials, Staff and the public.

Mill Creek's Founders Row Phase I is currently under construction. Phase I is over 4 acres and contains more than 85,000 square feet of retail, entertainment and restaurant space; a small amount of office space; a programmed Market Square for outdoor gatherings and events; and 394 residential rental homes including a standard Class A multifamily apartment building, along with the City of Falls Church's first Active Adult rental community. Phase I includes affordable housing, strong commitments to energy efficiency and other sustainable features, dramatic improvements to the streetscape and current unsafe



traffic conditions, commitments to bike use and mass transit connections, and approximately \$2,000,000 in projected net new revenue to the City annually.

The City and Mill Creek took advantage of a “generational opportunity” in Founders Row Phase I, but that was a complex project that took a substantial amount of time to design and program correctly. While the City’s Comprehensive Plan and more targeted opportunity area studies had considered “mixed use” in that area, it was not until the opportunity of creating a large site capable of thoughtful coordinated uses responsive to evolving markets and community desires was presented by the applicant that the City was able to focus concretely on its longer term community development vision. Both Mill Creek and the City learned a tremendous amount from each other throughout that process, and those lessons learned have been and will continue to be applied throughout the design and entitlement process for Phase II.

There were many highly productive sessions with the citizenry of Falls Church, in addition to substantial feedback from the City’s Boards and Commissions, along with the City Council. The net result is an exceptional project that has the potential of transforming an underutilized section of the City of Falls Church into a commercial “downtown” environment. The logical continuation of the vision that led to Phase I is now presented in the opportunity directly across the street, which is currently occupied by a carpet store and vacant Rite Aid building. The conversion of these properties into a more robust and vibrant development is a natural extension of the lifestyle entertainment center currently being created at Founders Row Phase I. Mill Creek intends to bring the same spirit of collaboration and willingness to engage in open and honest conversation with all parties to ensure that Phase II is treated with the same integrity and scrutiny that was brought to Phase I.

Mill Creek initially approached the City for conceptual conversations regarding Phase II in early 2020. That initial vision has evolved considerably throughout the last 18 months, including a first submission for Special Exception in November 2020. The Applicant subsequently met with City Council, the City’s Economic Development Council, neighbors of the project, along with most of the City’s Boards and Commissions to solicit 360-degree feedback on the submission. This is in addition to a robust set of comments from City Staff. The result is a holistically adjusted program that takes considerable accounting of the feedback that was received, and is a more balanced and less dense development.

Founders Row Phase II is proposed with the following uses:

- Approximately 330,000 total gross square feet (exclusive of garage parking).
- 280 total residential apartment homes, equivalent to approximately 309,500 total gross square feet of residential use. (It should be noted that the “Active Adult” homes portion of the community previously submitted has been removed.)
- Approximately 15,000 square feet of ground-floor Class A commercial retail space.
- Approximately 5,800 square feet of ground- and second-floor office space.
- Approximately 5,000 square feet of dedicated modern work-from-home flex space that can be utilized by both residents of Founders Row and City civic associations on a reservation basis.
- 433 total parking spaces, all contained within enclosed or subsurface parking structures



- This requires a reduction in parking based on the City’s Zoning code requirements as outlined below.
- A public plaza integrated near the intersection of West Broad and South West Streets that can function as both an activated outdoor retail space and a general public gathering area, while also serving as a distinct architectural focal point.
- A public pocket park at the intersection of South West and Ellison Streets which helps signify the transition from a commercial corridor to the more residential neighborhood context.

The following table highlights the changes between the Applicant’s original submission in November 2020 and today:

Program Comparison			
	<u>Original</u>	<u>Revised</u>	<u>Variance</u>
Total GFA	384,691	330,403	-54,288
Total Residential GFA	368,741	309,555	-59,186
Total Residential Units	319	280	-39
Total Retail	15,950	15,026	-924
Total Office	0	5,822	5,822
Total Commercial	15,950	20,848	4,898
Commercial Ratio	4%	6%	2%
Building Height (Highest Point)	81.66	75.85	-6
Total Parking	431	433	2
Parking Reduction Requested	25%	17%	-8%

**Note that the Total Commercial does not include the 5,000 square foot “Co-Working” space*

The Applicant’s decisions to adjust their submission were not completed in a vacuum, but rather with extensive feedback from a wide audience of opinions. To acknowledge the rationale behind the decision-making, an explanation of the significant changes is as follows:

- Density – one of the most pointed pieces of feedback received was that while the project addressed needs and benefits for the community, and improved upon a key corner of the City, it felt a little “too dense.” To that end, the Applicant has reduced overall density by 14%, and total residential density by 16%, removing an entire story of development. A total of 39 units have been removed from the program. Additionally, building height has shrunk approximately 6 feet. Further discussion on the elimination of density can be discussed at future meetings, but the general economic thesis is that in eliminating the significant expenses associated with the “Active Adult” portion of the program, Mill Creek was able to reduce total GFA.
- Architecture – an emphasis was placed on a more modern approach and diversification in the main façade architecture. West Broad Street now features more glass with additional balconies and bay



windows, while preserving the prior concept of two distinct facades. The ground-floor retail has been pulled directly to the sidewalk as opposed to featuring recessed retail arcades as before. The west elevation contains an undulating façade with two breaks to provide variety and relief. One of the largest changes is to the east façade along South West Street where the corner has been much more softened and transitions to a large vertical break resulting in a large outdoor plaza. The south façade continues to feature a transition from the six-story building (prior seven-stories) to three-story townhome style units complete with front stoops and lawns to create a more residential context. For continuity the three-story element now wraps the corner of Ellison and West Streets featuring the community’s lobby and clubhouse, while a public park has also been integrated at the intersection. Masonry has been added to the south façade as well to ensure that quality materials exist on all four sides of the building. Additionally, the six-story building now includes an additional taper at the sixth-story to provide even more relief along Ellison Street. Lastly, the second parking garage entrance along West Broad Street has been removed, greatly improving the overall facades and streetscape environment.

- Open Space – two public open areas have been included in this submission. The first is a large elevated gathering space and retail plaza near the intersection of Broad and West Streets; the second is a public pocket park at the intersection of West and Ellison Streets. Both areas will continue to be studied and optimized with feedback from Boards and Commissions, along with the general citizenry, and contain potential for public art as well.
- Commercial Uses – this submission preserves the 15,000 square feet of ground-floor retail space as previously included, but this retail space now captures a full double-height (approximately 20’) which is more ideal for flexibility in retail tenancy. Furthermore, total commercial has increased by 30% with the inclusion of 5,800 square feet of office space, conceptualized to house such office users as medical practices or professional services that benefit the community. The retail spaces have been extended to the streetscape, rather than recessed like prior given feedback the Applicant received from City Council, all while preserving outdoor areas for dining and gathering, such as the public plaza, which will further activate the ground level, especially along West Broad Street.
- Community Benefits – many of the community benefits previously included remain, including a commitment to 12% of the homes being set aside for affordable housing, and LEED Gold energy certification. An approximately 5,000 square foot co-working space will be included in the building’s amenity program, with a large programmatic change being that it will also be available for use by City civic groups and non-profit associations for meetings and work space. Lastly, commitments to schools, parks, and libraries have also been included in the Voluntary Concessions of this submission as well.

As the City explores avenues for expanding uses and services to modernize the community, it must take advantage of the opportunities presented to it to redevelop its “downtown” areas; specifically the commercially-zoned land along West Broad Street. Along those lines, creating specific destination “nodes” for commercial activity is equally important, ensuring that there is a critical mass and natural



continuation of prior development. This creates the vibrant, walkable, cohesive setting that the City is seeking to achieve with its Small Area Plans. Phase II not only concentrates retail and residential uses at the heart of the City's commercial corridor, but it does so at one of its most advantageous transportation settings. Similar to Phase I, Phase II will benefit from its walkable proximity to Metro, as the West Falls Church Metro station is less than one mile away. Furthermore, the Property is one of the few remaining locations that offers a direct access to the W&OD Trail, which as locals know, provides immense community value.

Given the Property's proximity to Metro and public transportation, in addition to the evolving realities of vehicular transportation in the 21st century, Mill Creek is requesting a 17% reduction in parking from the City's Zoning code. This is entirely attributable to the residential parking requirements, not the commercial requirements. Phase I residential is parked at approximately 1.3 spaces per home, and Phase II is proposed to be parked at the same ratio. Mill Creek believes a supportable parking ratio could be even less than this. Commercial will be parked to code as it relates to both Retail and Office space.

In evaluating this application and programming, it is important to consider the existing and recent operations of the retail facilities at 1001 and 1003 West Broad Street in the context of what Phase II will be replacing. The carpet (and former cabinet) store has remained semi- or fully-vacant for the better part of the last two decades. Rite Aid vacated their premises in 2019, and have no intention of returning before their lease expires in 2022. The use of the building at 1001 West Broad (originally an auto dealer showroom) for commercial was severely limited when Broad and West Streets were widened in the mid-1980s, leaving the 1001 West Broad Street property with almost no parking. It has and would continue to function more as a warehouse than a vibrant retail use unless razed and replaced. While more current, Rite Aid replaced a very busy McDonalds, but the Rite Aid is a suburban design characterized by surface parking that drastically underutilizes the site's potential. Additionally, the Rite Aid was a "by right" use that allowed a "dry" storm drainage pond that prevents development on top of the SWM facility. This drainage facility is unsightly and characteristic of the decades old development that should be replaced.

As such, this prime corner for the City has been and will remain underserving of the surrounding population for the foreseeable future without redevelopment. Furthermore, the lack of use has contributed to negligible revenues to the City as well. The proposed improvements by Mill Creek will result in a concentrated commercial environment that provides benefits to the City by way of improved architecture and planning that compliments Phase I across the street; enhanced neighborhood-serving retail; significant community benefits; in addition to the added revenue over what has prior been received.

Mill Creek and their architect have designed a thoughtful building that blends modern architectural details with a traditional Falls Church aesthetic, and along with Phase I, serves as a gateway to the West End of the City of Falls Church, and a true destination, downtown environment. Mill Creek does understand, however, that Phase II is dealing with many of the neighborhood characteristics that was similar to Phase I, and that the design and use needs to be sensitive to the surrounding low density residential neighborhood. Considerations of that design are outlined further in this letter.



Fortunately from a planning perspective, the City has examined this site for many years, and has considered it as suitable for Mixed Use. Mixed Use is called for in the Future Land Use Map and in the City's Small Area Plan for West Broad Street, thus no change to the Future Land Use Map is needed. However, a portion of the Site has remained "T-1" and as a part of this application Mill Creek is requesting that it be rezoned to B-1. The original T-1 zone was designed decades ago, to provide a "transition" from commercial uses to the single family detached area contiguous to the T-1 zoned area. However, the Special Exception provisions of the B-1 District (adopted around 2004) itself has essentially supplanted that function of the T-1 zoning district, as the City Council has a wide range of discretion to use the tools of the Special Exception provisions of the Zoning Code, to fashion a more appealing and useful transition from the mix of uses to the contiguous lower density residential areas. Thus the Future Land Use Map and sound planning and zoning principals support the rezoning of the T-1 Area to B-1.

Mill Creek is proposing a thoughtful program that is based on precedents set at Founders Row Phase I and other comparable developments, both current and proposed. Most significantly, there is a commitment to 12% of the total homes designed as Affordable Housing Units (at 60% and 80% Area Median Income levels), far more than at previously approved projects, and double that what was approved for Phase I. Mill Creek appreciates the City's desire to increase the affordability standards for individuals to live in the City, and is seeking to accommodate as much as possible within the Phase II development. The Affordable Housing is contemplated to be spread throughout the project, and will be in place for the life of the project.

Given the large commitment to affordable housing, the initial submission did not contemplate cash payments to the School's Capital program nor cash payments to the Library nor Parks. However, given the feedback received from Council, Boards and Commissions, and City Staff, Mill Creek has included contributions to those programs in this latest submission. While those commitments are not at the level of recently approved projects such as Phase I or West & Broad, Mill Creek hopes that their attempts to prioritize affordability while also contributing to other essential services is recognized. To be very clear, the Applicant is willing to reduce the ADU commitment and devote those resources to Schools, the Library or to Parks, if that is what the City desires instead.

Additional contemplated programmatic choices include commitments to energy efficient design, specifically LEED Gold design standard and car charging stations; streetscape improvements that bring the prime corner to elevated City standards; undergrounding existing utility lines; reconfigured crosswalks and associated traffic improvements; storm water quality and quantity improvement efforts; and other benefits which seek to improve the infrastructure of the City.

The Applicant has included in this Second Submission a set of Voluntary Concessions which assure the City of the full character of the physical aspects of the project and commitments to providing the Community Benefits. It is understood that the applicant will work with City Staff, officials, Boards & Councils to negotiate a final series of Voluntary Concessions.



The Rezoning To B-1 and Special Exceptions for Mixed Use and Height Bonus.

The current development plan requires a B-1 Zoning in order to be completed. However, a portion of the Site is zoned T-1. This zoning designation no longer is suitable for creating adequate transitions from the higher density and intensity of a mixed-use developer to the contiguous lower density area.

By consolidating the parcels in this site, Mill Creek has achieved a number of the goals in the City's Comprehensive Plan. Specifically, the proposed mixed-use development provides for sustainable development as it will allow for improvements to storm water management and energy efficiency; to locating residents nearer to employment, transit and shopping areas; and enhances the integrity of the low density residential area by establishing a "gateway" to Ellison Street.

Demographic and market trends demonstrate that the future development in this area should be an innovative and integrated approach to a mixture of uses including retail, residential and service uses. Whereas Phase I is programmed to be more a lifestyle, entertainment commercial district, Phase II will function as a compliment with more neighborhood-focused service retailers that cater to every day needs. In that capacity, Founders Row as a whole (Phases I and II) will service both a daytime and nighttime population for residents of the property, the surrounding neighborhood, and the City of Falls Church.

There has been discussion about whether Phase II should include an "anchor" retail use. Mill Creek's development thesis is that Phase I and other nearby mixed-used developments provide sufficient anchor commercial uses and that what is lacking is quality local service and retail uses. The existing residents in this area very much need such uses now, let alone after the delivery of new housing units. This does not, however, preclude entertainment or food and beverage operators from absorbing space at Phase II. Mill Creek believes that there will be strong interest and capacity for a variety of food and beverage users at this site as well. The Voluntary Concessions include a list of prohibited uses to narrow the types of tenancy allowed in this project. Lastly, feedback from the City has also suggested the need for small office space, which has been added to this application for approximately 5,800 square feet.

To achieve this mixed-use program, Mill Creek additionally requests the approval of a special exception to allow for the development to include multifamily rental units, and for a bonus of 30 feet in height to the City's maximum of 85 feet; the by-right height limit is 55 feet. The reality is that the building never reaches a full 85 feet in height; at its tallest point the building is approximately 75 feet as measured by the "Average Grade Plane" to the roof truss. Note that the average grade plane is lower than the actual first floor elevation given the dramatic topography along South West Street. The actual height of the building when measured from the first floor to the roof truss is approximately 70 feet, which is actually lower than Phase I's height at its maximum point on the project.

Respecting the single-family residential character of the surrounding neighborhood, the Property tapers to 30 feet in height along Ellison Street. Those homes along Ellison Street will be designed with "townhome style" architecture that is much more residential than commercial in context, very similar to the treatment of Phase I architecture along Park Avenue. This includes front stoops, lawns, and landscaping that create a "residential gateway" at the intersection of West and Ellison Streets, which will



be a dramatic improvement over the “dry” storm-water pond, overgrown brush, and parking lot that currently exists. To emphasize this “gateway” element, this application considers the implementation of a park element at the intersection, a multi-functional gathering area that will feature landscaping and hardscaping for seating and activation. The Applicant looks forward to working with the neighborhood, Boards, and Commissions to further define this park and open space.

The building along Ellison Street is set back approximately 20 feet from the property line. The “Townhome Building” itself is approximately 30 feet deep, before transitioning to the 75 foot tall main residential building. In total, a pedestrian or resident passing along the sidewalk of Ellison Street would be more than 50 feet removed from the taller building, a significant distance that creates the appropriate “transitional buffer” that the City was seeking. Furthermore, the six-story main building element also tapers at the top floor (sixth story) to provide even more view relief for the residents along Ellison Street.

We note here that there is a twenty-five (25) foot wide “Landscape Buffer” easement along Ellison Street that was created in 1977. This easement did not specify any particular landscaping and does not provide the type and quality of buffer that is currently required in the City between the uses proposed in Phase II. Furthermore, the City subsequently created an additional fifteen (15) foot wide “Street Tree” easement in 2001. This is in addition to a twenty (20) foot wide “Building Restriction” line (“BRL”). The likely intent behind these easements was to serve as a buffer and screening between the Ellison Street residential and the unsightly surface parking, commercial uses, and storm water pond on the Property.

With Mill Creek’s proposed development, those concerns will be addressed by creating a congruous residential environment with landscaped lawns, trees and bushes, and sidewalks for pedestrian passage. This will improve the streetscape and the residential character of the neighborhood, ensuring that the intent behind those easements continues to be met. Thus Mill Creek is requesting a vacation of a portion of those easements or, should the City deem it more appropriate, a vacation of the entirety of both easements since their original purpose (mitigation of environmental impacts of the current outdated commercial uses) has been supplanted by the protections of the Special Exception and later Site Plan.

The removal of the “Age Restricted” portion of the project has reduced the average unit size of the development to approximately 880 net rentable square feet, far below the Phase I average of 940 square feet. Mill Creek believes that these smaller units will attract a younger demographic at a more affordable price point, filling a void in the City’s current offering. Additionally, Mill Creek has capped the 2 bedroom plus office units at eight (8) total units, mitigating the impact to the City’s school systems as those units are disproportionately more expensive to the City.

One additional use proposed by Mill Creek’s program is the integration of a modern “work from home / co-working” space located with ground-floor accessibility in the project. While functioning as an amenity to the residents, it doubles as a modern commercial use of space that was becoming increasingly important pre-pandemic, and post-COVID has become borderline essential. The decision to incorporate this space as such was driven by numerous conversations with City staff, officials, and neighbors, who wanted to see an “alternative” commercial use that was not specifically retail, given the state of the retail



industry post-pandemic. This modern use of space provides an appealing alternate to traditionally stodgy office space, which also continues to struggle post-pandemic. A large change to the programming of this space is that the Applicant is willing to make it available to City-associated civic groups and non-profits for meeting space on a reservation basis. In this capacity, this alternative commercial space can serve as a community benefit to both residents and the larger public alike.

Finally, City Staff will be finalizing a Fiscal Impact analysis of the proposed development. While it will not net the same revenues as contemplated at Phase I due to its comparably smaller size and reduced commercial, it will be substantially more than what is currently being received from the existing properties, and would be significantly more than what those properties could generate even if they were occupied. Mill Creek has supported the City utilizing more updated data with respect to its student generation analysis, as that has the single largest impact on the Fiscal Impact study. Rather than utilize the full swathe of multifamily units existing in the City, many of which are older and larger and carry a disproportionate share of students, the City may want to consider focusing on more comparable properties (such as the West Broad Residence and Tinner Hill) for a more accurate pupil ratio.

These and other refinements to the City's fiscal impact analysis are especially important as newer mixed-used projects will likely have a smaller ratio of commercial space to residential, and greater care must be taken to appreciate the value these projects can have to the community. A supplemental third party analysis may be provided at a later date which will include the economic benefits generated by the additional citizens that this project will create, a factor currently not considered in the fiscal impact model.

The Founders Row Phase II Development Satisfies the City's Revised Special Exception Criteria for Mixed Use

The City reviews applications for Special Exceptions using the Criteria set out in the City Zoning Code. The following is an overview of the Criteria; please also consider the comments above concerning the project and its positive impact on the community.

1. Primary Criteria (Section 48-90(1)):

a. The resulting development conforms to the City's adopted Comprehensive Plan, Small Area Plans and Design Guidelines (Section 48-90(1) (a)).

The Comprehensive Plan and Small Area plan shows that the Site is located in Planning Opportunity Area 6. Founders Row Phase II fully supports the increased sensitivity to Environmental sustainability (Chapter 5 of the Comprehensive Plan). The proposed development meets or exceeds the strategies called for in that area:

1. Consolidation of lots to accommodate higher density.
2. Promotion of redevelopment that eliminates stand-alone automobile and light industrial facilities.
3. Improve pedestrian accessibility with controlled crosswalks at various locations.



4. Create a consistent design, in terms of building height and design, streetscape improvements, and other aspects of the built environment in the City.
5. Preserve recreational resources in the area. Include green space and appropriate transition to detached residential areas.
6. Assess existing and provide for improved storm water management; be open to taking opportunity to provide better SWM for areas other than just Founder Row Phase II.
7. Provide for lower impact vehicles by including EV charging Stations, be open to new sources of energy (solar for example).
8. Create development to promote a positive image of the City in an area that has not seen any significant new development in decades.
9. Locate buildings as close to West Broad and West Streets as possible with parking located in the rear or in shared buildings or in structured facilities (in this case covered and underground).
10. Achieve consistent architectural goals.

The Design Guidelines show that the Site is located in the West Broad Street Area. As called for in the Guidelines, the proposed development will reflect an urban street front, will provide a consistent identity for the area, increase pedestrian activity, and indicate the high standards of the City. In addition, the proposed development will improve paving at crosswalks at the Ellison and West Street intersection, and create superior connectivity to the W&OD Trail, all of which will work to increase pedestrian and bicycle activity in the area.

b. The resulting development provides for significant new or renovated commercial space and allows for a mix of commercial and residential uses (Section 48-90(1) (b)).

Currently, the two properties comprising the Property contribute very minimally in tax revenue.

The “Drug Store Property” (Parcel #52-102-065) was redeveloped from a McDonald’s and a small restaurant in 2003 into a “by right” Rite Aid drug store. The building is 13,963 SF and is best characterized as a “box;” the site is asphalt with its most prominent being feature a large dry storm water detention pond area. The FAR is only .185. The box is in poor condition and has been vacant for several years since the Rite Aid chain was purchased and the new owner chose to cease operation of that store. The lease is believed to expire in 2022.

As a by-right development, the Drug Store has few site amenities since the City had no leverage to secure community benefits as it would have had if the redevelopment had been by Special Exception. This is readily seen by the fact the box has no windows facing West Broad Street and has a useless landscaping strip between the building and the streetscape. The size of this box and



its condition makes the store very difficult to re-tenant to a superior operator, and if not redeveloped as proposed here it may well remain vacant.

It is believed by the Applicant that there has been no income to the City other than real estate taxes for this site based on its assessed value of \$5,124,200 in 2018, \$5,215,400 in 2019, and \$5,254,200 in 2020. The assessed value has dropped to \$4,948,300 for 2021. The assessed value of the box is about \$2,000,000 today. The Applicant does not have access to tax income data.

The “Carpet Store Property” (Parcel #52-102-060) contains a warehouse type building of 11,223 SF. The site is only a bit larger at 14,977 SF, with an FAR of .749. This “dense” FAR is result of the site being legally non-conforming in many ways. The box was built in 1950 and is believed to have originally been constructed for and used as the show room and service area of car dealership. At that time, both West Broad and South West Street operated as two lanes, without any turn lanes or wide sidewalks. Parking for the Carpet Store was provided around the building with access from West Broad and West Streets; most importantly, this parking was done in conjunction with the contiguous uses. In fact, the parking spaces on the west side of the building cannot be accessed without using the drive aisle of the former Drug Store. To compound this access and parking deficiency, the parking spaces along West Broad were lost when the street was widened in the 1960s, and the spaces on the east side were reduced to being nearly unusable when West Broad and associated intersections were widened again and streetscape installed in the mid-1980s. This structure essentially has no parking, and it has had only warehouse-type tenants for decades. Improvements or changes in use require a new structure with conforming access and parking and hence are likely not legally feasible unless the new structure were small enough so as to allow for conforming access and parking.

The current use is a carpet store but the Applicant has no access to the taxes generated by this commercial activity. It is believed to be minimal over the past several years. Real estate taxes would be based on an assessed value of \$1,546,400 in 2018, \$1,600,700 in 2019, and \$1,632,500 in 2020. The assessed value dropped to \$1,536,200 for 2021. The structure is valued at about \$700,000 for each year noted. The structure likely requires razing rather than renovation.

These two existing properties are served by significant surface parking. These spaces have not changed in years and it is unlikely they will have any new tenants for the foreseeable future. The proposed development will remove these unsightly and grossly underperforming uses. While the two properties combine for a total of approximately 25,000 square feet of gross building area, that area is inclusive of warehouse and loading space that is drastically misaligned with the Broad Street commercial corridor. As noted they produce virtually no income to the City other than real estate taxes.

The Phase II program calls for replacing this with approximately 21,000 net square feet of brand-new ground-floor commercial space, along with the aforementioned residential uses, creating significant net new commercial revenue and impact for the City. This project will transform these functionally obsolete existing uses to the prime commercial intersection that the City desires, creating reliable and larger tax streams for the City, and providing the neighborhood with useable daily retail.



c. The resulting development produces substantial positive net new commercial and residential revenue to the City (Section 48-90(1) (c)).

In conjunction with this application, information has been submitted to the City to be inputted into the City's cost/revenue impact model to predict the project's net new revenue. Initial model runs have been reviewed by the Applicant, and are plus/minus in line with the previously reported Fiscal Impact Analysis run for the initial submission. As recognized by the Comprehensive Plan, the parcels that make up the property are underutilized currently in terms of their density and use.

The existing uses are in such poor condition, they should be considered as having only a marginal contribution to the City. The proposed development will significantly increase the assessed value of and resultant property tax revenue generated by the property. The businesses located in the new space will provide personal property tax revenue, sales tax revenue and gross receipts tax revenue. Of course these businesses also provide jobs. In addition, by adding to the growing vibrant, attractive area of the City, the development will encourage additional consumers to enter the area and patronize commercial uses throughout the City.

2. Secondary Criteria (Section 48-90(2)):

a. The development is compatible with surrounding land uses and planned land uses in size, bulk and scale (Section 48-90(2) (a)).

The proposed development consists of six stories of new development, inclusive of a one-story concrete podium on the ground-floor largely dedicated to commercial and residential lobby entrances; and five stories of wood-framed multifamily homes and amenities. The total height of the project at its highest level is 75 feet, in line with City standards as measured by the average grade plane. As outlined prior, the project does give consideration to the surrounding low-density residential neighborhood by tapering to 30 feet in height along Ellison Street, with a deviation to more townhome-style architecture, and a setback that allows for even greater separation of commercial and residential aesthetic.

The exterior is proposed to be glass, brick masonry, and high-end concrete panels, along with vibrant retail storefront along the ground-floor. The architecture is fully consistent with the high standards established by the City for prior mixed-use projects, and very similar to that of Phase I. The new building will blend well with its environment near the existing residences and evolving commercial and multifamily buildings. The proposed development works in conjunction with existing buildings to further create a dramatic, defined statement of quality for this area of the City. The proposed development is consistent with the discussion in the Comprehensive Plan, and Small Area Plan for this Redevelopment Opportunity Area, which calls for significant mixed (multifamily) uses.

b. The resulting development enhances or expands the existing community facilities, such as the schools, multimodal transportation facilities, streetscape and public parking, and water and sewer systems (sanitary and stormwater) and utilizes green rather than grey



infrastructure to the fullest extent possible to manage stormwater and to create a health and attractive environment for the community. (Section 48-90(2) (b)).

Schools

The City has completed a school impact analysis, and the proposed development will result in some additional students added to the school system. However, out of proactive concern in mitigating the impact to both schools and other infrastructure, Mill Creek has designed the residential portion of the project with smaller unit sizes than Phase I, while also capping the number of 2 bedroom plus office style units that disproportionately impact the school system. This approach will bring a new citizenry to the City, creating an appealing home at a more affordable price point than traditional “family-style” units, while subsequently placing a comparatively smaller burden on the City’s school system. The Applicant has also included a contribution to the school system in their Voluntary Concessions.

Transportation

A traffic study has been conducted by Wells and Associates that evaluates the anticipated traffic impacts of the application and provides specific recommendations to mitigate those impacts. This study is dated November 6, 2020, and was revised on June 8, 2021, and is included with these application materials. The application envisions a vibrant mixed-use development that will be sensitive to the transportation concerns of the City. As outlined in the report, it is anticipated that the proposed development as compared to the existing retail (assuming it were functionally operational) would result in a net increase of only 69 weekday AM peak hour trips, and 63 weekday PM peak hour trips.

By providing a variety of complementary uses on the Site and across from Founders Row Phase I, the proposed development will encourage self-contained, pedestrian trips. Additionally, due to its location proximate to several bus routes including a future intermodal transportation center and with implementation of Transportation Demand Management (“TDM”) measures, a percentage of the trips generated by the residential and commercial components of the proposed development are anticipated to utilize non-auto modes of transportation. TDM measures will include convenient bicycle storage facilities, transit incentives, and extensive resources conducive to teleworking. Mill Creek also proposes to replace the existing bus stop along West Broad Street with a bus shelter, subject to City specifications. Furthermore, Mill Creek is requesting a 17% reduction in City parking standards, to put residential parking in line with the amounts approved at Phase I (approximately 1.3 spaces per unit).

In addition to these TDM measures, Wells recommends that the City adjust the signal phasing at the intersection of Broad & West Streets to allow concurrent northbound and southbound movements. It is understood that traffic control and mitigation measures are vitally important to the residents surrounding this site, and to that end, Mill Creek commits to working with City Staff and neighbors on appropriate traffic calming measures along South West Street, including pedestrian crossings, and this aforementioned signal adjustment.



Water & Sewer

The project will greatly improve storm water management with BMP's, and bring the site to current City and State standards. Mill Creek will work with City staff to determine capacity issues and if any upgrades to sewer and water infrastructure are required.

c. The resulting development provides community benefits such as affordable housing and/or workforce housing, as it is described in Section 38-43 (Section 48-90(2) (c)).

The developer is proposing an on-site Affordable Dwelling Unit (ADU) contribution in significant excess of the "typical" 6% of all units at 60% of AMI. Specifically, the following ADU contribution is proposed: 6% of total units at 60% AMI, and 6% of total units at 80% AMI, for a total contribution of 12%, double that of the typical requirement. In whole numbers, this translates to 34 affordable homes out of the 280 total homes proposed. This larger contribution is made in recognition of the fact the City is making a concentrated effort to increase the amount of affordable housing that is offered, and that new development is the best opportunity for capturing these new homes.

Furthermore, Mill Creek is also including in this set of Voluntary Concessions cash contributions to schools, parks, and libraries. While those amounts are less than what has been included in recently approved projects, Mill Creek wants to make it clear that if the City desires an alternative mix of affordable housing and cash contributions, they are willing and flexible to evaluate based on the City's priorities.

A commitment to construct the Apartment Building to LEED Gold is also provided. The Applicant is also including in the Voluntary Concessions a commitment to installing 15 electric vehicle charging stations, along with the capacity for 15 more in the future. This is ten more than what was included for Phase I. Additionally, the developer will underground all aerial utilities contiguous to the site.

d. The resulting development contributes to a vibrant, pedestrian-oriented environment both on site and in relation to adjoining properties, with walkable street level activity throughout the day and evening (Section 48-90(2) (d)).

The current uses at the site are distinctly automobile-oriented, with the majority of the property occupied by their own surface parking lots. The proposed development will move all parking within enclosed structures, which will contribute further to the walkable nature of the area.

The provision of streetscape along the entire development's three sides facing streets will contribute to the vibrant, pedestrian-oriented environment with connectivity to adjacent commercial, residential, and park areas. The mix of uses will generate pedestrian traffic throughout the day and evening. The street-level retail uses will be very visible and will encourage customers to enter the area to shop and visit not only this development, but the additional retail located nearby.



- e. **The resulting development offers purposeful and creative use of landscaping, open space and/or parks, public plazas or and walkways connecting to adjoining properties that incorporates sustainable landscaping and green infrastructure best practices for stormwater mitigation, urban heat island management and wildlife habitat support (Section 48-90(2) (e)).**

Three sides of the proposed building will have the attractive “streetscape” design and fixtures, and there will be enhanced connections around the site to nearby businesses, parks, and residences. The development will invite pedestrians to ride bikes, rest, talk, sit, eat and simply enjoy the area, specifically along the Broad and West Street commercial corridor at the public plaza that is proposed. The gateway park created at the intersection of Ellison and West will encourage bikers and pedestrians to utilize the W&OD entrance on that side of Broad Street, as opposed to crossing north and hopping on along Grove Street.

- f. **The resulting development provides a variety of commercial and community services and uses that are attractive to and meet the needs of all city residents for entertainment, public art, historic, and cultural resources, recreation, dining retail and an array of consumable goods (Section 48-90(2)(f)).**

As stated above, the proposed development envisions a mix of modest commercial uses. This includes opportunities in an area that are lacking sufficient quality retail currently. These commercial entities will serve the residential uses within the proposed development, as well as the neighborhood as a whole.

Mill Creek believes that providing for public art and cultural resources are best achieved by a collaboration with the local community. To that end, Mill Creek looks forward to working with the community’s resources to better define this programming.

- g. **The resulting development includes and encourages local or independent businesses (Section 48-90(2) (g)).**

The retail and restaurant spaces in Founders Row Phase II ideally provide opportunities for local, regional, and independent businesses. The high-quality development will help the area as a whole attract and cultivate local and independent businesses.

- h. **The resulting development provides for a reduction of single use parking requirements through shared parking and transportation demand management strategies such as Bikeshare, car-sharing, and other techniques. Section 48-90(2) (h)).**

As shown in the submitted conceptual plan, the developer is recommending shared parking and a requested 17% parking reduction from Zoning requirements. The developer will explore with the City any additional parking reductions are justified based on the characteristics of the property, its proximity to bike ways and the availability of buses. Additionally, bus service to the nearest metro rail station is easily available and it is expected that some residents will bike to work (or to a multi-modal transit location for switching to bus or rail), and that the commercial uses will be patronized at least in part by pedestrians and cyclists.



- i. **The resulting development encourages multi-modal transportation through design and other techniques to reduce the reliance on single occupancy vehicles, and provides sheltered stops for mass transit whenever feasible Section 48-90(2) (i)).**

As discussed, the property is in close proximity to existing bike ways, as well as the Metro station and several bus lines. It is expected that some residents will walk to the Metro station and others will bike to work, and that the commercial uses will be patronized at least in part by pedestrians and cyclists. The design includes attractive and user friendly places for bikes to be parked and stored.

- j. **The resulting development utilizes LEED criteria (or other rating systems such as the WELL Building Standard) in the design of the project to achieve high standards for environmental sustainability and climate resilience, Certified projects are encourage to achieve LEED Gold or greater ratings and deliver a minimum 20 percent improvement in energy performance. Section 48-90(2) (j)).**

The proposed apartment development is planned to be constructed to LEED Gold. The project will otherwise be designed using green design principles and elements.

By removing the existing impervious parking lots and implementing a new storm water management plan, the development will reduce storm water runoff in the area. Additionally, the non-residential part of the project will incorporate eco-conscious, sustainable elements in the design of the commercial spaces.

Special Exception for Height Bonus: Founders Row Phase II is Exemplary and meets the Standard for Bonus Height

The area of the site to be used for the mixed use project is currently zoned B-1, which permits a by-right height of up to 55 feet. The developer proposes the requested development to be a maximum height of approximately 75 feet. The height of the project for purposes of the “bonus” refers to the height of the building as the average of the height of the building measured along the entire perimeter of the building.

Up to 30 feet of bonus height may be granted if the project is “exemplary” in terms of conformance to the Primary Criteria 1 and 2 set out above and assists in conformance with Primary Criteria 2 and 3. The amount of net new commercial area is about the same area as the existing commercial activity (excluding the warehouse and loading operations of the existing facilities). However the existing space is obsolete and has been largely vacant for years.

More importantly, the new commercial activity replaces a commercial uses which are discouraged by the City’s Comprehensive Plan: a “retail” carpet store that is really more of warehouse operation, and a free-standing drug store. The net new commercial income is far greater than that of the existing uses and far superior in terms of making the area a desirable place to live, work, and play. For these reasons, this plan is exemplary in its achievement of the primary criteria set out above.

As discussed, the design of this project, and in particular its height, is an exceptional new addition to this part of the City. The project continues the high bar for quality in terms of design, use, and materials



set by Founders Row Phase I. If the proposed project were to be lowered by 30 feet to the allowed 55 feet the development would be economically infeasible.

The location and unique physical characteristics of the site make the requested building height appropriate. The property is located in an area that now has similar developments which are of similar height. The added height is not out of the character of the surrounding neighborhood.

Statement Regarding Conformance with the City's Adopted Comprehensive Plan and Design Guidelines

Please refer to the text above for a discussion of the Comprehensive Plan compliance. The Design Guidelines are also being met. Fundamentally, those Design Guidelines suggest that new development take its "cue" from existing development where that existing development meets the goals of the community. Phase II takes its primary design cues from the Founders Row Phase I as that architecture, massing, forms, streetscape, and the transition to neighborhoods was recently extensively studied including having been studied during the Small Area Plan for the "West Broad Street Area".

The developer expects to make additional refinements during the Special Exception and Site Plan reviews and fully welcomes the community's involvement.

Statement and Data Regarding the Projected Net Revenues from the Project

A final formal Fiscal Impact Analysis has not yet been provided to the applicant by the City. Mill Creek will work with the City on preparing the information. It is known that the proposed development will far exceed the existing and recent revenues generated by the current uses on the Property, and is likely to significantly outperform an alternative replacement users of those existing buildings as well.

Conclusion

The Founders Row Phase II redevelopment proposed by Mill Creek fully reflects the City's vision for Falls Church. It is a complimentary and logical expansion of the immense vision and creativity that the City displayed in approving Phase I. The project meets or exceeds the primary and secondary criteria used to evaluate the merits of the special exceptions. Therefore, the requested special exceptions for residential use and height bonus at the City's gateway should be granted.

Thank you and the City Staff for its guidance and attentiveness to this project.

Sincerely,



Joe Muffler
Managing Director
Mill Creek Residential Trust

