March 28, 2007

Gerry Connolly, Chairman
Fairfax County Board of Supervisors
12000 Government Center Parkway
Suite 530
Fairfax, Virginia 22035

Dear Chairman Connolly and members of the Board of Supervisors:

The Laurel Hill Project Advisory Citizens Oversight Committee met Tuesday, February 6, 2007 to discuss the status of the adaptive reuse project at the Laurel Hill Reformatory and Penitentiary site. This is in accordance with our assignment by the Board to monitor the development of the site. During our meeting, we reviewed the recent Request For Proposal (RFP) process and possible next steps.

RFP Process
The members of the Oversight Committee appreciate the opportunity provided by the County to participate in the recent RFP process. We agree with the outcome of the process as expressed in the January 3, 2007 memorandum (attached) from Jim Zook, Director, Department of Planning and Zoning, to Tony Griffin, County Executive. While a development candidate was not selected, we agree with Mr. Zook's summary that the process and proposals were very instructional.

Next Step – A Master Developer
As a next step, the Oversight Committee recommends support for the option of soliciting the services of a master developer to assist in the adaptive reuse of the Reformatory and Penitentiary site. As outlined in Mr. Zook's January 3 memorandum, a master developer would be under contract with the county for a period of time, such as six months. During that period, a master developer could help County officials identify appropriate actions to move the project forward.

Addressing Developer Uncertainty
The Oversight Committee supports the assessment of the County's consultant to the project, Basile, Bauman and Prost, regarding developer uncertainty about issues related to the Reformatory-Penitentiary project (Referenced in the January 3 memorandum). This includes, but is not limited to, the type of allowable new development, residential density and the county's level of financial participation. The Oversight Committee offers some insight regarding these issues.

The adaptive re-use recommendations for the site are included in the Fairfax County Comprehensive Plan under Lower Potomac Planning District, LP1-Laurel Hill Community Planning Sector, Land Unit 3. The following statement is found under the subtitle, "Implementation," Page 48:

In order to create a viable, self-sustaining development, the County may consider possible approaches to increasing the viability of the adaptive reuse area by modifying or increasing the residential or retail components of the CAC (Citizens Advisory Committee)

recommendation, dated November 2004, or reducing the number of structures to be re-used, subject to the terms of the Memorandum of Agreement.

This is an important consideration, given the current status of the adaptive reuse process. However, the Oversight Committee offers a cautionary note regarding residential density.

Residential Density
In early 2004, the task force appointed to develop adaptive reuse recommendations for the Reformatory and Penitentiary site considered high-density residential development scenarios to attract private investment and offset the generally higher costs of re-using the existing prison buildings. The high-density scenarios did not receive support from the surrounding communities in the South County area or historic preservationists. As a result, residential development was adjusted to the current ranges described in the Comprehensive Plan text.

While flexibility in the range of residential development at the Reformatory-Penitentiary site is anticipated, high-density residential development is unlikely to receive the necessary community and historic preservation support. In addition, such development could exacerbate the problems of overcrowding at the nearby South County Secondary School.

New Development
The Comprehensive Plan text provides a variety of allowable development options at the Reformatory and Penitentiary site. The options include:

- Market rate residential units
- Workforce residential units for police, teachers and firefighters
- Education uses
- Office and retail uses
- Technology-oriented research
- A "village center" with a mix of retail and professional office uses
- Independent living units for active adults
- A medical and/or nursing graduated care facility

Consideration also might be given to developing part of the site as a museum venue, such as a children's museum serving northern Virginia, and a county history museum. Such uses would fit under the cultural and educational uses envisioned for the Laurel Hill property.

County Financial Participation
The outcome of the recent RFP process and the observations provided by Basile, Bauman and Prost suggest that adaptive reuse is best achieved if the County identifies its level of investment in the Reformatory-Penitentiary project. The Oversight Committee believes such investment could include:

- Modification and/or removal of some existing structures (Consistent with the task force recommendations and the Memorandum of Agreement)
- Infrastructure (Roads, parking, water, sewer)
- Investment in particular development concepts (Such as education, cultural, magnet housing, graduated care or independent living)

Defining the County's type and level of financial investment in the Reformatory-Penitentiary re-use project may encourage private investment and public-private partnerships.

The recommendations developed by the Laurel Hill citizens task force for the Reformatory and Penitentiary area, and approved by the Board of Supervisors, anticipated the need for contingency planning, if development candidates could not be identified during the RFP process. The Oversight Committee believes a focus on issues such as allowable new development, residential density and county financial participation will keep the project on track to become a world class asset to Fairfax County.

Sincerely,

Timothy J. Sargeant

Tim Sargeant, Chairman, Laurel Hill Project Advisory Citizens Oversight Committee

Doug Wrenn, Laurel Hill Project Advisory Citizens Oversight Committee
Robert Cosgriff, Laurel Hill Project Advisory Citizens Oversight Committee

cc: Tony Griffin, County Executive
Jim Zook, Director, Department of Planning and Zoning

County of Fairfax, Virginia

MEMORANDUM

DATE: 3 January 2007

TO: **Tony Griffin**
County Executive

FROM: **Jim Zook, Director**
Department of Planning and Zoning

SUBJECT: **Laurel Hill Adaptive Reuse RFP**

The County received two responses to the Laurel Hill RFP for the adaptive reuse of the Reformatory and Penitentiary site. The selection advisory committee – comprised of county staff, the Laurel Hill Project Advisory Citizen Oversight Committee, and an ARB representative – determined that neither proposal met the requirements set forth in the RFP. Although both proposals contained some adaptive reuse strategies they each lacked key financial information requested in the RFP and did little to preserve the historic significance of the site. Additionally, development assumptions in each proposal conflicted with the Comprehensive Plan and previous task force recommendations.

While more and better proposals were preferred, the process and proposals we received were instructional to the committee. The RFP process itself revealed a healthy level of developer and business interest and participation at the site tours and pre-proposal meeting. Our consultant, Ralph Basile of Basile, Bauman and Prost (BBP) observed that the lack of more proposals most likely reflected developer uncertainty about some of the business issues related to the RFP – items such as the type of allowable new development, residential density, and the level of financial participation by the county. The county's stated desire to retain ownership of the land and buildings may have also contributed to developer uncertainty.

The selection advisory committee discussed a number of options for moving forward and determined a preferred approach of soliciting the services of a master developer to assist the county in developing the site. This approach allows a developer to minimize their risk and allows the developer and county the opportunity to jointly address issues such as density, utility service, and historic preservation. It is envisioned that the master developer would be under contract with the county for a period of time – 6 months for example – at which time the county can assess the ability of the project to move forward. The developer, the county, or both could bring to the table other parties interested in development opportunities at the site.

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The precedence for this approach can be seen at the federal level with privatized housing and base closures. Closer to home, this arrangement is similar to the PPEA process and the real estate partnerships that Fairfax County Schools have used.

The selection committee envisioned an RFQ process that requires a short description of the services required followed by interviews by county staff to select a firm. BBP believes that this type of solicitation would result in a greater number of responses.
A design/build option was also discussed. The Department of Purchasing and Supply Management indicates that current law prohibits the County from issuing a design/build RFP on its own; these types of projects must be reviewed by the Commonwealth's Design Build Review Board. However, DPSM is preparing an application for an exemption to allow the county to issue design/build RFPs. An approval from the Commonwealth could be received as early as this month.

Those involved with the solicitation and selection process need to weigh the options at hand and decide on a course of action. Chris Caperton, Laurel Hill Project Coordinator, will take the lead on this effort and work with many of the same people who served on the selection and technical advisory committees (listed below). We will continue to keep your office appraised of developments and are open to suggestions or ideas from your office.

cc:

Board of Supervisors

Gerry Connolly, Chairman, At-Large
Sharon Bulova, Vice Chairman, Braddock
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Cathy M. Hudgins, Hunter Mill
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Elaine McConnell, Springfield
Michael R. Frey, Sully

RFP Selection Advisory Committee

Len Wales, DMB
Chris Caperton, DPZ
Tim Sargeant, citizen
Robert Betsold, Park Authority
John Howard, FMD
Casey Sheehan, DPSM

RFP Technical Advisory Committee

Alan Weiss, County Attorney
Linda Blank, DPZ
Peter Braham, DPZ
Chuck Almquist, FCDOT
John Burns, ARB
Ralph Basile, consultant
Doug Wrenn, citizen
Robert Cosgriff, citizen
Leanna Hush, DPZ

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