March 11, 2010 Tysons: <u>The Big Picture</u>

Good Evening, I'm Don McIlvaine
Background:
My Family has been involved in Tyson's properties since the mid-sixties including Tysons I and the Tiffany's site among others. My Father developed the 1st Office Building in Tysons when he was president of NVBA which became the headquarters for the Northern Virginia Builder's Association in 1965. It is now the Borders site at 8027 Leesburg Pike. I'm a former Fairfax County Employee and lifetime resident.

Tonight I'm acting as General Partner for Tyco Road Limited Partnership, a 7 acre, I-4 property at 8500 Tyco Rd., fronting on both Tyco Rd. and the Dulles Toll Rd. in the Tysons West North Sub District TOD area. I'd like to go on the record as concurring with the comments presented to you on January 27th by the Avalon Bay Communities representatives. Our property is presently a 145,000/SF warehouse/data center/industrial property and possibly the least attractive structure in Tysons. My lead tenants are the Washington Post and Verizon. Nevertheless, it is debt free and cash flows nicely. We are working in coordination with our adjacent property owner, Avalon Bay and Elizabeth Marchant on a 15.5 acre phased plan. We are well within walking distance to the proposed Tysons West Metro Station.

However rather than discussing the details of our many concerns on the specific text related to our site that Avalon Bay has already shared with you, I'd like to make a few observations about the big picture as I see it.

1. The landowners in Tysons have already made a 25% commitment on the cost of Metro through Tysons by way of the special tax district. It's my understanding that the County's commitment was ~~a~~ zero. Without that private sector commitment Metro's Silver Line's construction would never have begun.
2. I've heard a fair amount of lip service given to the concept of a public – private partnership to pay for transportation improvements. Somebody besides the private sector needs to step up and provide equitable participation. The burden placed on the landowners in the Staff's Draft Plan is already staggering. If this Tysons Urban Plan is not at least as beneficial and important to the County and its citizens at large as it is to the Tysons landowners, then I'm missing something. I believe the Tyco private sector commitment on the Route 28 improvements, another public - private partnership was 25% not 75% as suggested in Staff's Draft Plan on Tysons.

3. There seems to be a perception by Staff that since the Feds, State & County have no money to throw at Tysons' infrastructure costs that the landowners will absorb it all. That unequivocally is a misconception and a non-starter.
4. It would seem to me that a way for the County to provide its fair share on transportation infrastructure in Tysons would be to use the property tax revenue it collects over the next forty years from Tysons properties to finance those costs for 75% of the total cost.
5. I believe that we can all agree on possibly two things: First, the timing of this plan in light of the economic climate is dubious, at best, and Secondly, that we all want the adopted Plan to have traction upon the opening of the metro stations in 2013. There are still, unfortunately, many details that remain to be worked out.

Half of the commercial developers in this town have gone broke or will go broke in the next 2-3 years, thanks to Lehman Brothers. The shoe hasn't even dropped in the commercial real estate market yet. Many, many deals in this town will not get refinanced and fall into default or foreclosure in the short term. i.e.: The Sheraton Premiere in Tysons. As well, General Growth, owners of Tysons II Galleria is in bankruptcy. It's going to be bloodier than the residential crash of 08-09. Hello – we're in the midst of the worst National economic collapse since The Great Depression.

So, I think we ought to get real if we expect to get any traction on a Tysons Urban Plan. If we truly want to promote residential development as is alleged in the recommendations to promote the desired balance, why allow staff to ratchet up all the requirements and remove any incentive for residential development to occur. The last time I checked it still wasn't a crime to make a profit in this country. Yet, the staff draft plan removes that possibility from the equation. Simply put, there just doesn't exist sufficient incentive outside the 1/8 mile ring of TOD to outweigh all the risks and costs associated with staffs' conditions to promote redevelopment, as envisioned.

Anything that is worth doing is worth doing right. This plan needs a whole lot of revision if it's ever going to work and provide the desired results. I reject the staff mindset that they can just lay off all the risks and costs on the property owners. You only have one chance to get this right. I suggest you rethink the proposed intensities and the onerous requirements, as failure will occur on your watch and frankly it's too important a matter, and we'll all look like fools.

Thank you Mr. Chairman.