



Lines of Business (LOB)

Overview for Public Private Partnerships and Joint Ventures

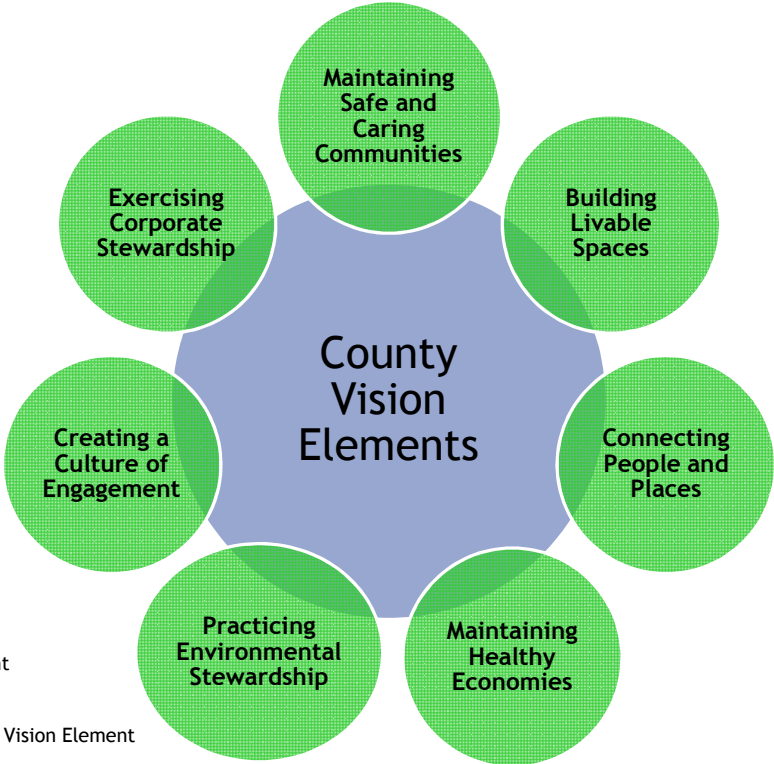
January 19, 2016

Introduction

- ▶ Public private partnerships and joint venture development projects cover a wide-range of funding and construction arrangements
 - ▶ What is a public private partnership (P3) / joint venture (JV)?
 - ▶ Why do them?
 - ▶ How Fairfax County implements these projects
 - ▶ Agencies involved
 - ▶ Overview of projects currently in pipeline
 - ▶ Trends and challenges

Vision Elements

The purpose of the LOBs process and the validation process performed by staff and management is to array the relevance of all LOBs according to the County's Vision Elements. Public Private Partnerships and Joint Ventures support:



What are P3s and JVs?

“A public-private partnership (P3) is a contractual arrangement between a public agency and a private sector entity. Through this arrangement, the skills and assets of each sector (public and private) are shared in delivering the service or facility for the use of the general public. In addition to the sharing of resources, each party shares in the risks and rewards potential in the delivery of the service and/or facility”

-National Council for Public-Private Partnerships

- ▶ P3s and JVs are one of the tools use to implement Board policies and goals, primarily through the Capital Improvement Program (CIP)
 - ▶ However, there are P3 & JV assertions that need to be challenged...

- ▶ These projects can take a wide-variety of forms and approaches to achieve public benefits.
 - ▶ Services / Facilities: Transportation infrastructure, public facilities, revenue generation, service delivery improvements, improved land value
 - ▶ Types: Design-Build, Operations & Maintenance, Developer Finance, Lease/Purchase, Turnkey
 - ▶ Procurement Approaches: Solicited Public-Private Educational Facilities and Infrastructure Act (PPEA), Unsolicited PPEA, Solicited Public-Private Transportation Act (PPTA), Request for Information (RFI), Request for Proposals (RFP), Land Exchange/Sale, Proffered Facilities/Agreements

What are P3s and JVs?

- ▶ Both Fairfax County and the Fairfax County School Board have utilized P3s and JVs for a number of years
 - ▶ 1987 - The Government Center was the first major capital project funded and completed through public-private partnership
 - ▶ 1999 - South County Government Center completed
 - ▶ 2005 - Secondary School and Laurel Hill Golf Course completed through partnership agreements
 - ▶ Other previous projects of significance include: McConnell Public Safety and Transportation Operations Center (MPSTOC), the Fairfax City Library, West Ox Bus Operations Center, VDOT Administrative Building, Clemyjontri Park, Braddock Glen Assisted Living and Adult Day Care
- ▶ State adopted the Public-Private Educational Facilities and Infrastructure Act (PPEA) in 2002
- ▶ Multiple models are available to fit the specific desired outcome; P3 & JV project leadership and management, staffing and operating procedures are flexible to address specific project goals
- ▶ Most partnerships are with private entities, however, some include regional, state, federal, and/or non-profit partners

Why do P3 or JV projects?

- ▶ **Create value**
 - ▶ Projects create increased value to the County
 - ▶ Improve value of County owned real property and assets
 - ▶ Generate revenue to the county as a result of project implementation
 - ▶ Direct revenue from lease or service provision
 - ▶ Increased real estate tax revenues through increase of real property value as a result of the project
 - ▶ Increased real estate tax revenues resulting from development catalyzed in areas adjacent to the project
- ▶ **Build community**
 - ▶ Projects achieve or facilitate community benefits
 - ▶ Create places where people want to live, work, play, and learn
 - ▶ Create identity and sense of community through public facilities and services
- ▶ **Improve service delivery**
 - ▶ Projects result in new or improved services and amenities to the public
 - ▶ Deliver needed community services
 - ▶ Provide for integrated service delivery in an efficient and customer oriented manner

Important P3 and JV
Evaluation Criteria:
Scope
Schedule
Cost

Creating value, building community, and improving service delivery are important elements of facilitating our future economic success

Strategic Plan to Facilitate the Economic Success of Fairfax County

Overarching Vision



People Places Employment Governance

“...No community has a preordained right to prosperity. Prosperity can only be achieved and sustained when a community's citizens, businesses and government work in concert for everyone's benefit...”

...Our vision is a community where businesses, residents, and employees of a variety of ages, abilities, and experiences want to live, work, play, learn, and thrive...”

Goal One
Further Diversify Our Economy

Goal Two
Create Places Where People Want to Be

Goal Three
Improve the Speed, Consistency, and Predictability of the Development Review Process

Goal Four
Invest in Natural and Physical Infrastructure

Goal Five
Achieve Economic Success through Education and Social Equity

Goal Six
Increase Agility of County Government

Goal Four: Economic Success Plan

Goal Four Vision: Fairfax County recognizes that its investment in public infrastructure not only serves to protect and enrich the lives of its citizens, but also serves to attract new private investment and to achieve its long-term land use and development goals.

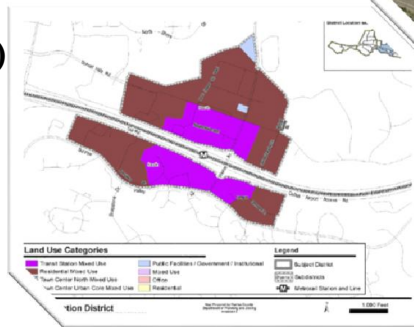
Goal Four: Invest in Natural and Physical Infrastructure

Action 4.3 Maximize return on investment potential for all county assets, including land and facilities, by leveraging partnership opportunities with both private and public partners to construct and operate infrastructure and facilities throughout the county.

- a. Examine the county's adopted Capital Improvement Program for these types of partnership opportunities.



Where do partnership projects come from?



http://www.fairfaxcounty.gov/dpz/projects/reston/maps/wiehle_avenue_variousmaps.pdf

Policy Objectives within Comprehensive Plan

- ▶ Provide new public facilities taking into account financial limitations
- ▶ Provide high level and quality of public facilities, within financial limitations, to enable all residents to sustain a secure and productive lifestyle
- ▶ Maintain prosperous economic climate and enhance the County's long-term competitive position in regional, national, and international economic development
- ▶ Encourage and facilitate private sector initiatives to finance new transportation services, transit services, and improves to existing facilities and services
- ▶ Extend public investments in parkland acquisition and park development through public/private mechanisms
- ▶ Participate in leadership roles in cooperative regional activities

Elements of successful P3 & JV projects

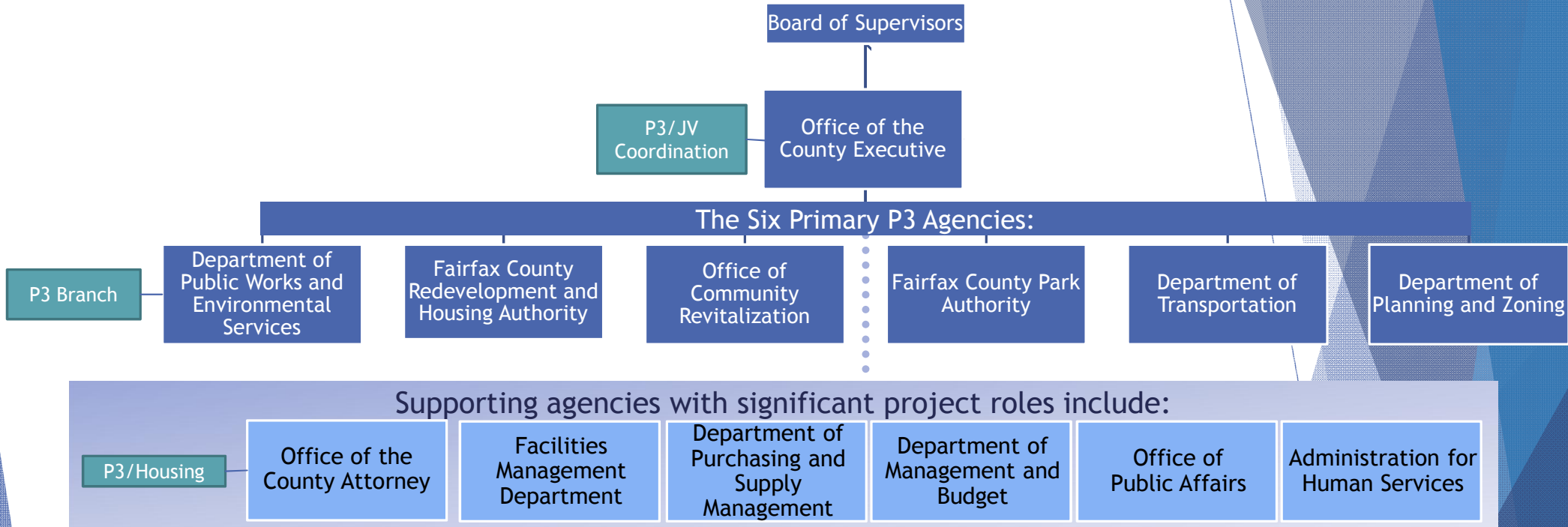
▶ Skills needed for successful P3s & JVs:

- ▶ Executive leadership
- ▶ Planning and urban design
- ▶ Finance
- ▶ Architecture
- ▶ Engineering - civil, structural, etc.
- ▶ Project management
- ▶ Construction management
- ▶ Facilities management and maintenance
- ▶ Real estate
- ▶ Legal
- ▶ Communications and public/community relations
- ▶ Contracts and procurement
- ▶ “End user” expertise

▶ Factors identified with successful P3s & JVs:

- ▶ Government/business experts, outside consultants
- ▶ Government/business experts, inside consultants
- ▶ Funding resources - government/business
- ▶ Clear contractual documents
- ▶ Selection of the “right” business/government partner(s)
- ▶ Access to and involvement of government/business decision-makers
- ▶ Internal coordination between government/business operations
- ▶ Government/corporate governance involvement/support
- ▶ Clarity of business/government goals
- ▶ Partnership leadership and “culture”
- ▶ Public input/buy-in

How does Fairfax implement P3 & JV projects?

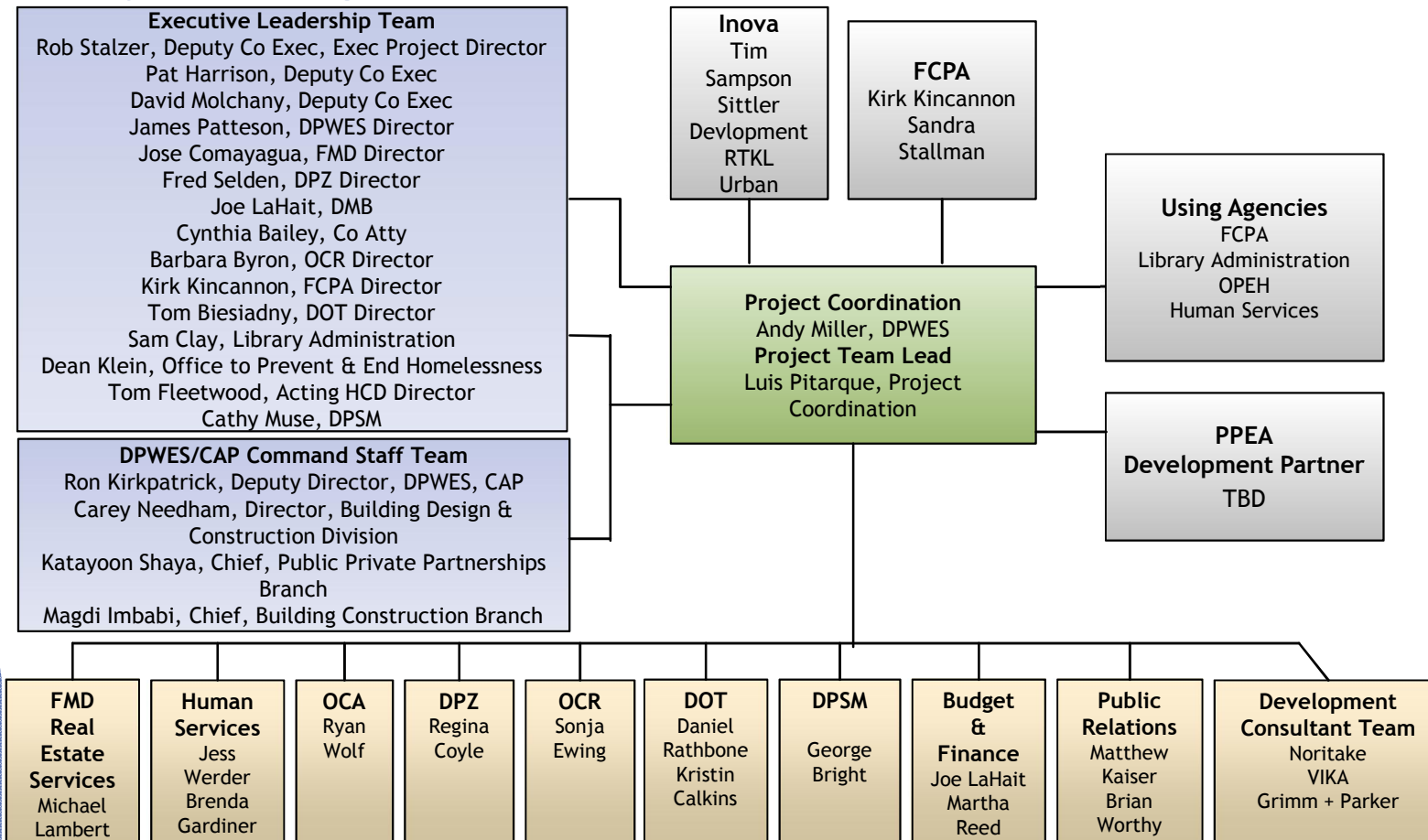


Sample of final user agencies:

Neighborhood and Community Services	Community Services Board	Health Department	Fairfax County Park Authority
Fairfax County Police Department	Fairfax County Fire and Rescue Department	Office to Prevent and End Homelessness	Fairfax County Public Library

... and that's just County staff!

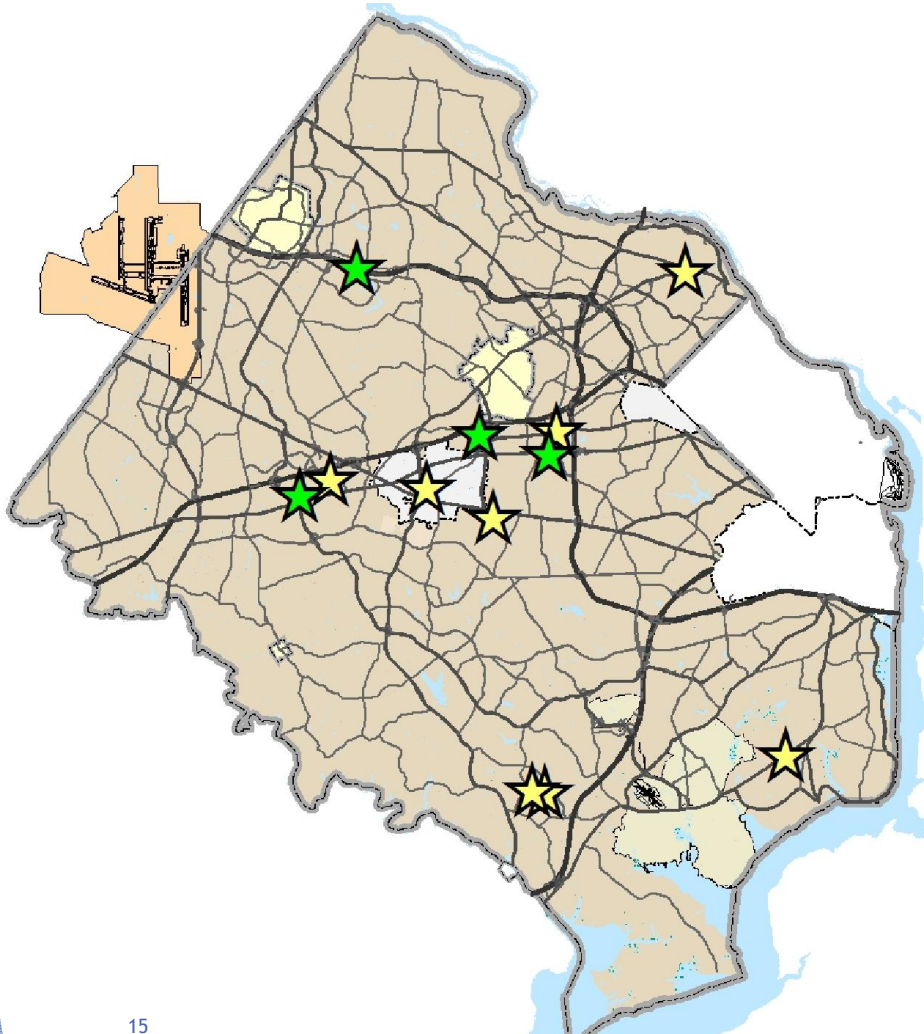
Putting it Together: Project Org Chart for Reston Town Center North



P3 & JV Project Overview

- ▶ 24 projects identified as currently active or completed P3 projects, an additional five projects are in early concept development for potential P3 suitability
 - ▶ Twelve completed projects, summary information for four
 - ▶ Wiehle Station Garage and Transit Oriented Development
 - ▶ McConnell Public Safety Transportation Operations Center (MPSTOC)
 - ▶ Seven projects currently underway, summary information for five
 - ▶ The Residences at the Government Center
 - ▶ Liberty Crest at Laurel Hill
 - ▶ Five projects currently in advanced concept development
 - ▶ Five projects currently in early concept development
 - ▶ TBD whether these become P3/JV projects

Completed P3 & JV Projects



Recently completed projects highlighted include:

- Wiehle Avenue Garage and TOD
- McConnell Public Safety and Transportation Operations Center
- Merrifield Center
- Providence Community Center

Other projects include:

- Fairfax County Government Center Complex
- South County Secondary School
- Laurel Hill Golf Course
- Mosaic District
- South County Government Center
- Fairfax City Library
- Clemyjontri Park
- Braddock Glen Assisted Living & Adult Day Care

Wiehle Avenue Garage and TOD



HUNTER MILL DISTRICT

Located at 1862 Wiehle Avenue, Reston

Generating value created by Metrorail Silverline Extension

• Summary

- Conversion of surface parking lot
- 99-year lease of air rights for private development above parking garage
- New facility includes a 7-story underground commuter parking garage with 2,300 spaces and transit facility, which includes 46 space Kiss & Ride, 10-bay covered bus facility, and large bike storage room
- Vertical development of 1.3 million sf of residential, retail, hotel, and office Reston Station development by Comstock with additional potential development intensity

Wiehle Avenue Garage and TOD



HUNTER MILL DISTRICT

- Located at 1862 Wiehle Avenue, Reston
- Garage and transit center operational since July, 2014

Creating a community supported by transportation services

- **Status**

- Completed - Garage, transit center, and 450 unit residential BLVD building
- Under Construction - 365,000 sf office, 15,000 retail, 400-unit Momentum Condos

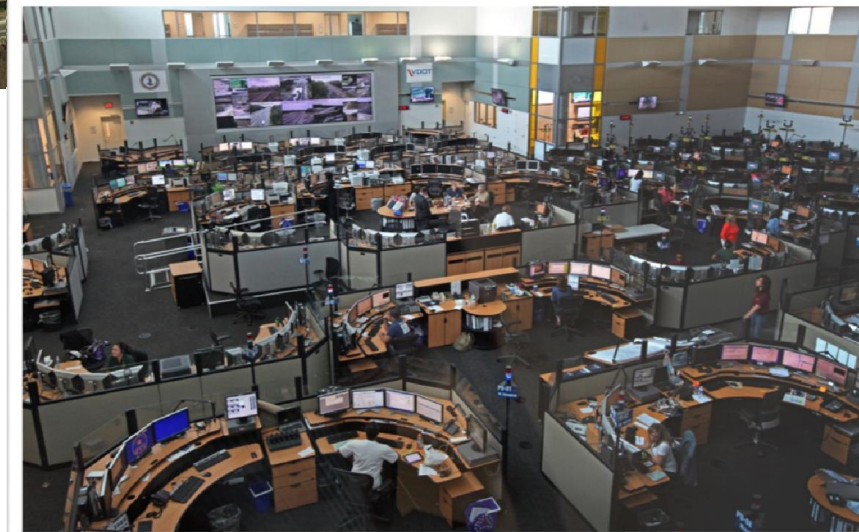
- **Funding**

- Total Project Estimate - \$117 million (County portion)

- **Notable**

- Winner of 2015 Public Works Project of the Year Award from Mid-Atlantic Chapter of the American Public Works Association

McConnell Public Safety and Transportation Operations Center (MPSTOC)



Additional information available at
<http://www.fairfaxcounty.gov/westox/mpstoc/>

Merrifield Center



PROVIDENCE DISTRICT

- Located at 8221 Willow Oaks Corp. Dr, Fairfax
- Construction completed in 2014
- CSB occupied in January 2015
- 4th floor construction and occupancy is complete

Additional information available at

http://www.fairfaxcounty.gov/dpwes/construction/facilities_construction.htm#willow

Integrated service delivery with non-profit partner

• Summary

- 200,000 sf co-located Human Services Center for integrated CSB service delivery
 - 160,000 sf CSB programs
 - 20,000 sf community health and dental clinics
 - 20,000 sf in 10-yr lease to Inova
 - Consolidation of 8 leased spaces
- Inova to build up to 875,000 sf medical uses and a new 1,250 space garage

• Status

- Operation and maintenance

• Funding

- Total Project Estimate - \$90.9 million

Providence Community Center



PROVIDENCE DISTRICT

- Located at 3001 Vaden Drive, Fairfax.
- Construction completed in December 2014.
- Facility opened for use in January 2015.

Delivering a new community center in Metro West community

- **Summary**

- 32,000 sf community center, partially funded through proffer

- **Status**

- Operation and maintenance

- **Funding**

- Total Project Estimate - \$12.5 million
 - \$6.0 million proffer contribution (later escalated to \$7.6 million)
 - \$6.5 million EDA financing

Additional information available at

http://www.fairfaxcounty.gov/dpwes/construction/providence_center.htm

P3 & JV Projects Currently Underway



Highlighted projects include:

- The Residences at the Government Center
- Liberty Crest at Laurel Hill
- Lewinsville Center Redevelopment
- Herndon Station Garage
- Innovation Center Station Garage

Other projects include:

- Rail to Dulles (Silver Line Phase 2)
- Rt. 28 Spot Widening

The Residences at the Government Center



Creating high quality homes that are affordable where we work and play

- **Summary**

- Leveraging county land through a long term, nominal fee ground lease to create 270 award winning apartments at no cost to FCRHA and County
- Located on the Government Center Campus across from shopping and restaurants
- Providing homes that are affordable to the county's public and private sector workforce



- **Status**

- Under construction

- **Funding**

- Total Project Estimate - \$56 million

BRADDOCK DISTRICT

- Located on Monument Drive, Government Center Campus

Additional information available at

<http://www.fairfaxcounty.gov/rha/residences/residencesatgovcenter.htm>

The Residences at the Government Center

Fairfax County and the FCRHA: Innovating to Create Affordable Communities



BRADDOCK DISTRICT

- Located on Monument Drive, Government Center Campus

Additional information available at
[http://www.fairfaxcounty.gov/rha/residences/
residencesatgovcenter.htm](http://www.fairfaxcounty.gov/rha/residences/residencesatgovcenter.htm)

- The Residences at the Government Center is the first of its kind in the State to employ a financing structure that will use a creative hybrid mixture of both 9% and 4% tax credit allocations from VHDA and leverage private investor capital
- It will feature many elements that are not common in affordable, workforce housing development, including structured parking, underground storm water management and other creative steps to minimize the environmental impact of the site and to be a good neighbor for the surrounding market-rate communities

The Residences at the Government Center

Coming Fall 2016



BRADDOCK DISTRICT

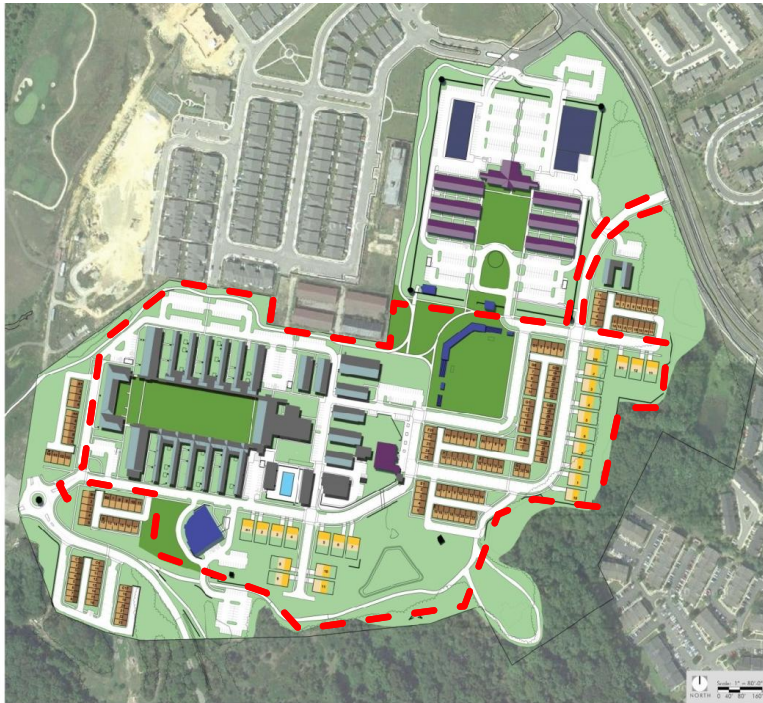
Located on Monument Drive, Government Center Campus

Additional information available at

<http://www.fairfaxcounty.gov/rha/residences/residencesatgovcenter.htm>

- The Residences at the Government Center will play an integral part of Fairfax County because it will provide many residents, and many county workers, an opportunity to live and thrive
- It is anticipated that the project will be completed and ready for occupancy this Fall. Pre-leasing will begin approximately three months prior to opening day, at which time the property will begin accepting applications

Liberty Crest at Laurel Hill



MOUNT VERNON DISTRICT

- Located off Silverbrook Rd, Lorton
- 79.9 acres acquired in 2002 for redevelopment to mixed use community

Additional information available at
<http://www.fairfaxcounty.gov/dpwes/libertycrestlaurelhill/>

Revitalization of former Lorton Reformatory into a mixed-use community with a private partner

• Summary

- Phase 1 (in red) - Adaptive Reuse
 - 272 condos/townhomes/single family homes
 - Clubhouse/swimming pool/chapel
- Phase 2 development
- Improved access to public parkland with new community-serving open space

• Status

- Under construction

• Funding

- Total Project Estimate - \$12.8 million for County funded shared infrastructure

Lewinsville Center Redevelopment



DRANESVILLE DISTRICT

Located at 1609 Great Falls Street, McLean

Additional information available at

<http://www.fairfaxcounty.gov/rha/lewinsville.htm>

26

Creating an intergenerational community center and privately-owned affordable senior housing

• Summary

- Senior Residences Building - 82 senior independent living units
78,000 sf
Developer Budget: \$21 million
(No cost to County)
- Senior and Daycare Center Building -
7,672 sf senior center
9,571 sf adult day care
12,354 sf child day cares (2)
- Athletic Fields
- Total Site Infrastructure and Senior Residences development managed by HCD
- Senior Daycare Center managed by DPWES
(Funded by County)

• Status

- Design (Permitting and Bidding)

• County Budget

- Total Project Estimate -\$17.725 million

Herndon Station Garage



HUNTER MILL DISTRICT

- Located at 12530 Sunrise Valley Drive, Herndon

Delivering parking to the Herndon Metrorail Station

- **Summary**

- 7 level - 1,950 parking space commuter garage to accommodate Phase II Silver Line Extension
- Modifications to existing garage to integrate structures and address parking needs

- **Status**

- Design

- **Funding**

- Total Project Estimate - \$56.7 million

Innovation Center Station Garage



DRANESVILLE DISTRICT

Located on Sunrise Valley Drive in Herndon

Additional information available at
<http://www.fairfaxcounty.gov/dpwes/innovationcenterstationgarage/>

Delivering parking for the Innovation Center Metrorail Station

• Summary

- Construct new 2,030 space commuter garage to support Phase II Silver Line
- Partnership with private developer in a 15-acre mixed-use development of up to 1.6 million sf
- Shared infrastructure agreement

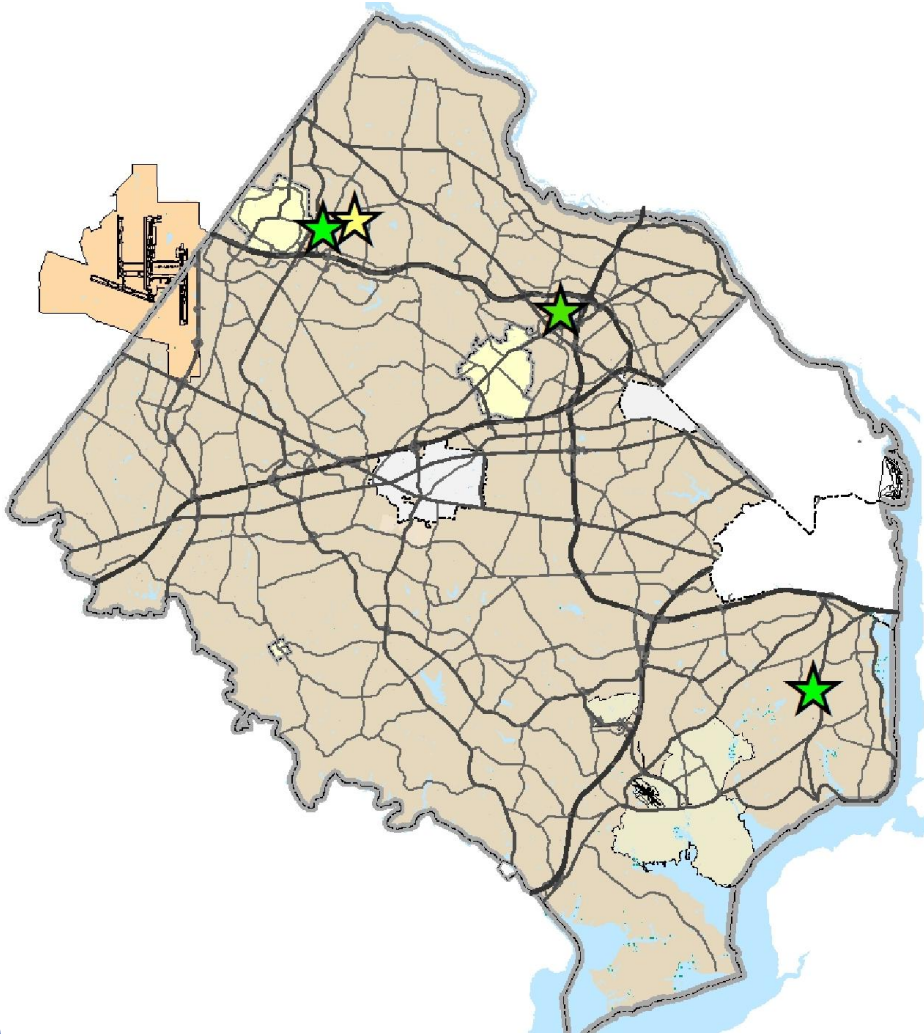
• Status

- Design for garage
- Construction for infrastructure

• Funding

- Total Project Estimate - \$57.4 million (garage and infrastructure)

P3 & JV Projects in Advanced Concept Development



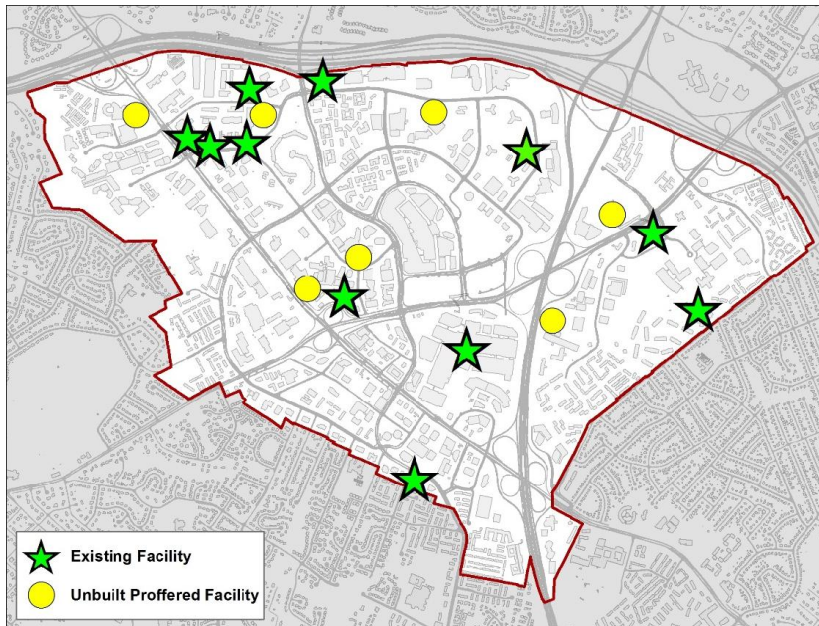
Highlighted projects include:

- Tysons Public Facilities Planning
- Reston Town Center North
- The Residences at North Hill Park
- Southeast Quad in Bailey's

Other projects include:

- Lake Anne Revitalization

Tysons Public Facility Planning



HUNTER MILL & PROVIDENCE DISTRICTS

- Located in Tysons

Additional information available at

http://www.fairfaxcounty.gov/tysons/implementation/annual_report.htm

Embedding public services within a growing community

- **Summary**

- Working with developers through the development review process to ensure future community needs are met
- Often resulting in proffered land and or space within new proposed developments
- Some County assets leveraged

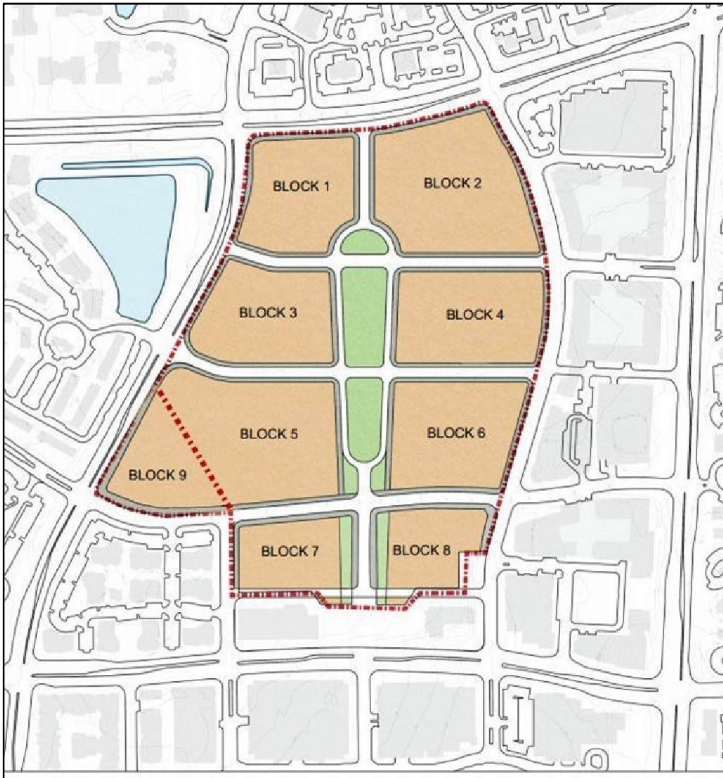
- **Status**

- Planning

- **Funding**

- Total Project Estimate - N/A

Reston Town Center North



HUNTER MILL DISTRICT

- Located north of New Dominion Pkwy, Reston
- Site area approximately 49.9 acres

Additional information available at

<http://www.fairfaxcounty.gov/dpwes/restontowncenternorth/>

Generating value through embedding services within a community

- **Summary**

- Master planning of almost 50 acres connected to Reston Town Center
- Expanded library, recreation, and human service facilities to serve a growing community
- Development potential of 1.8 million sf of commercial use, and 2,400 residential units

- **Status**

- Planning
 - RFP procurement for Phase I
 - Planning for Phase II

- **Funding**

- Total Project Estimate - TBD

The Residences at North Hill Park



MOUNT VERNON DISTRICT

- Located on Richmond Highway, Alexandria

Additional information available at

http://www.fairfaxcounty.gov/rha/north_hill/

Creating a high quality affordable mixed-income community

- **Summary**

- Leveraging Fairfax County Redevelopment and Housing Authority (FCRHA) land through a long term, nominal fee ground lease to create a vibrant workforce community at no cost to the FCRHA or County
- Undeveloped parkland
- Affordable workforce apartments
- Homeownership opportunities
- Revitalization of the Richmond Highway corridor

- **Status**

- Planning (developer negotiations)

- **Funding**

- Total Project Estimate - \$87 million

Southeast Quad in Bailey's



MASON DISTRICT

- Located at Bailey's Crossroads, Falls Church
- Combined area of 7.4 acres

Unlocking value and allowing for private investment in community

• Summary

- Land exchange to facilitate construction of road segment and possible residential community
- 200,000 sf office building site for County use
- Project will also include relocation of the Bailey's Crossroads Community Shelter and building demolition

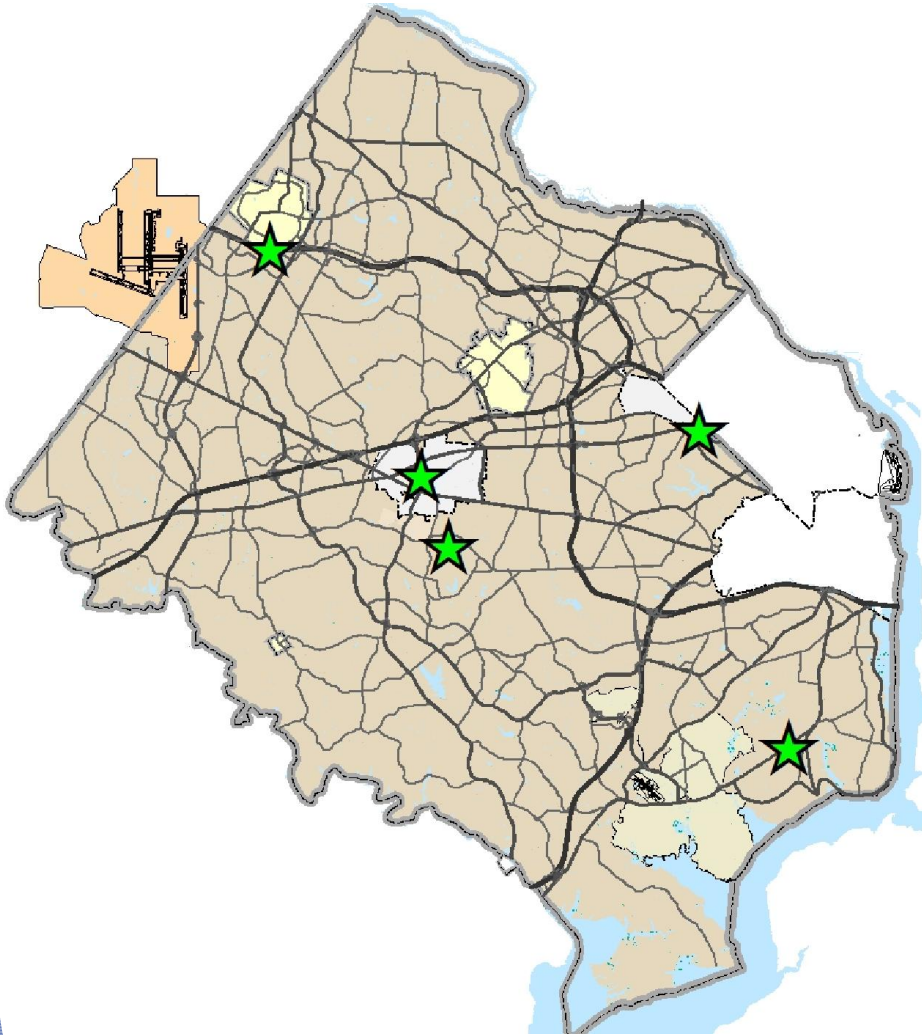
• Status

- Planning and negotiations

• Funding

- Total Project Estimate - \$6.35 million for land transfer and acquisition

P3 Projects in Early Concept Development



Highlighted projects include:

- Original Mt. Vernon High School
- Herndon Station Transit Oriented Development
- Willston Multicultural Center
- Northern Virginia Training Center Site
- City of Fairfax coordination

Original Mt. Vernon High School



MOUNT VERNON DISTRICT

- Located at 8333 Richmond Hwy, Alexandria
- Built in 1939, with renovations in 1990
- 40 acre area, including FCPA adjacent assets

Opportunity to transform historic property to generate value and provide services to the community

• Summary

- Planning for interim occupancy and master planning for long term redevelopment of 150,000 sf former high school site
- Recently has been location for Islamic Saudi Academy, lease expiring in 10/16

• Status

- Scoping for long-term redevelopment
- Planning for interim occupancy

• Funding

- Total Project Estimate - N/A

Additional information available at
<http://www.fairfaxcounty.gov/original-mount-vernon-hs/>

Herndon Station Transit Oriented Development



HUNTER MILL DISTRICT

- Located at 12530 Sunrise Valley Drive, Herndon

Creating value generated by Herndon Metrorail Station

- **Summary**

- Master planning for 10 acres to the west of the existing Herndon Monroe garage
- Opportunities for transit-oriented development for public or private uses

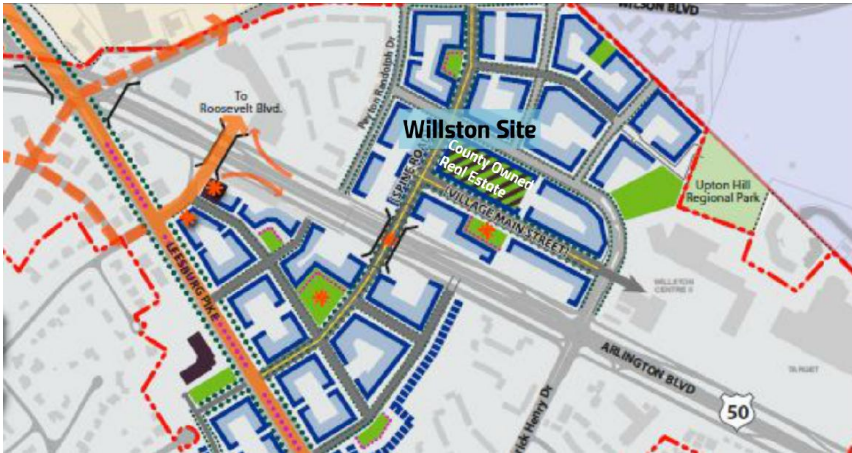
- **Status**

- Planning

- **Funding**

- Total Project Estimate - N/A

Willston Multicultural Center



Revitalizing Seven Corners

- **Summary**

- Plan envisions redevelopment around a walkable, lively, main street with ground-floor retail, outdoor dining and an urban park in the urban village
- The Willston Multicultural Center is planned to be redeveloped for educational, government, cultural or human services
- FCPS and Fairfax have agreed that there is mutual interest in locating a school at the site

- **Status**

- Planning

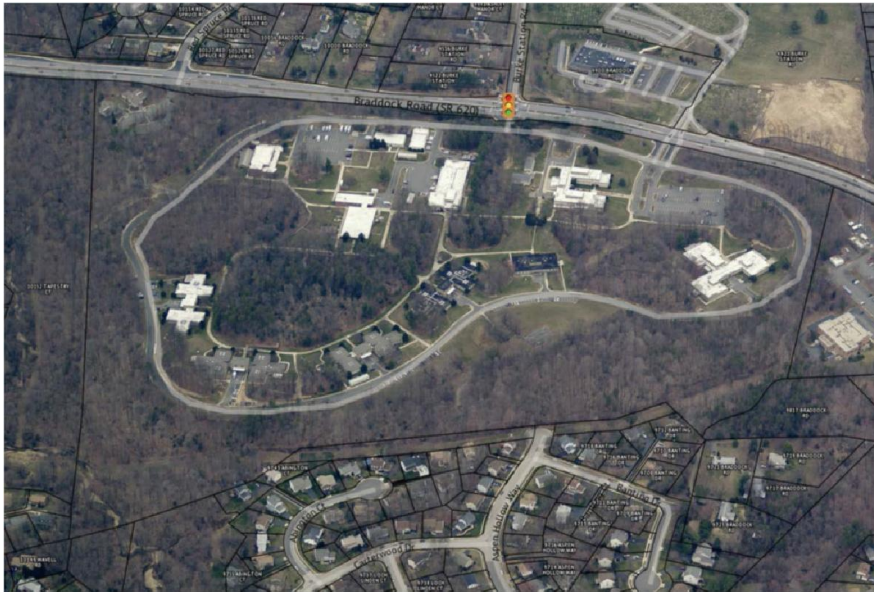
- **Funding**

- Total Project Estimate - N/A

MASON DISTRICT

- Located at 6131 Willston Drive, Falls Church

Northern Virginia Training Center Site



BRADDOCK DISTRICT

- Located at 9901 Braddock Rd, Fairfax

Closure of Commonwealth residential training center may create opportunities for new public uses

- **Summary**
 - Sale of 78 acre parcel anticipated to be announced in early 2016
 - Potential opportunities for public uses or services on the site
- **Status**
 - Conceptual planning
- **Funding**
 - Total Project Estimate - N/A

City of Fairfax Coordination



Opportunities to create value and improve service in cooperation with adjacent municipality

- **Summary**

- Exploring ways to leverage resources Fairfax County owns within the City of Fairfax
- Exploring service delivery improvements for County residents

- **Status**

- Planning

- **Funding**

- Total Project Estimate - N/A

PROVIDENCE DISTRICT / COUNTYWIDE
- Located within City of Fairfax

Overarching Trends and Challenges

P3s and JVs don't succeed without leadership

Leading a partnership is inherently difficult. Leading a partnership comprised of dissimilar organizations is even harder.

- Hands-on executive leadership is fundamental
- Building and sustaining trust at all levels of the partnership, especially at the executive level, is essential
- Understanding the culture of each partner and recognizing the unique culture of the partnership itself is key
- Creating a shared space for the partners to successfully complete the work of the partnership is critical
- Identifying the public and how the partnership affects their interests is vital



Looking Ahead

- ▶ Evaluate capital projects for suitability as part of a P3 or JV opportunity
 - ▶ Constraints for general fund resources and capital facility bond capacity requires diligence to determine if private sector, or other non-County funds, can assist in achieving County goals
- ▶ Improve service delivery by integrating public, non-profit, and private resources
- ▶ Increasing complexity of land development and real-estate transactions is a challenge
- ▶ P3 & JV projects are resource intensive and in increasing demand within Fairfax. New practices will need to be developed in order to address volume and expand capacity

Questions?