

Minutes from the Seven Corners Task Force February 12, 2013

Meeting called into order at 7:00 PM
Mason District Government Center

Attendance:

Task Force: John Thillmann, Mary Ellen Ward, Iqbal Khaiy, Paul Byrtus, Devin Corini, Nathan Bath, Mark Silverwood, and Vince Burke. By Telephone: Pat Hoar.

Staff: Elizabeth Hagg, JoAnne Fiebe, and Aaron Frank representing Supervisor Gross

The Minutes for the January 8, 2012 meeting were approved.

John Thillmann informed the Task Force that the schedule for upcoming task force meetings has been adjusted. March's meeting will not change. The meeting in April will be a visioning session conversation on the basic principles for land use and transportation and a presentation by Fairfax County Public Schools. In late April or early May there is a bus tour of Seven Corners planned for Task Force members. May's meeting will be a public meeting for residents and business people to address the Task Force on land use and transportation issues as well as the completion of the discussion on mixed use development. In June the Task Force will deliberate on next steps for plan recommendations.

Iqbal Khaiy had several questions and suggestions regarding the Saturday bus tour. John Thillmann explained that he expects staff will develop the route but that it should finish by noon.

John Thillmann clarified that there will be two presentations tonight after 30 minutes of public testimony.

Public Testimony:

Eric Welsh, with the Fairfax Leadership Academy and a teacher at JEB Stuart High School. I am speaking tonight as an educator to urge the Task Force to recommend that the Board of Supervisors transfer the Willston property back to FCPS so it can be used for a school. Children matter and I want the Task Force to be an ally with the community. I understand that this Task Force is looking at transportation issues, and buses from other schools are creating traffic problems in areas like Patrick Henry Drive where children could walk to school. A new school here would be a community center and provide space for organizations that provide vital services. I urge the Task Force to recommend that the Board of Supervisors work with FCPS to transfer the Willston Center property over to FCPS for a new facility.

Christine Adams

I am an active parent in the Bailey's community. Bailey's Crossroads has lost social services to Annandale. Williston is an ideal location for a school and to help return these programs. It is at the heart of Seven Corners and needs social services in-house, including many after-school programs. The county should reach across the aisle to FCPS and build a true community school.

Suzie Phipps

The Willston Center is a small site but FCPS is designing an urban school model that will fit on this site. The Willston site is about five acres. The new school could match the architectural feel that you are planning for in Seven Corners. This school could bring wrap around social services back to Seven Corners.

Emily Galean

I am a 5th grader at Bailey's Elementary School. Bailey's needs a new school. It has a lot of trailers and even lost a basketball court to make room for more trailers. We need a new school.

Lisa Frankobich

I am a former PTA President at Glen Forest Elementary. There are 17 buses that travel onto Route 7. It takes my children just over an hour to get home every day. There are 12 trailers outside and because it faces the back of a shopping center there are homeless people back there. Students have to leave the trailers to use the bathrooms and so they are walking around out there with only another student going with them. This is an unsafe condition. Also, we should all remember that this is site where John Mohammad shot that woman.

Mollie Loeffler

I am a mom of two children at Bailey's Elementary and with the Parklawn Civic Association and the Mason District Council of Civic Associations. The Parklawn community believes that the Willston location is the best site for a new school. We recently sent out a survey and had 600 respondents. Education was ranked as the 4th most important issue and there were over a hundred comments on the school overcrowding issue.

Berta Cosme

I am high school student and here to tell you that we need a new school in Seven Corners.

Maria DeMarez

I am a long time employee at Bailey's Elementary School. This is a very cultural area and I am speaking on behalf of the immigrant community. This is an area that needs a new school. Education is very important.

Laura Wells

I am a FCPS employee at Glasgow Middle School. In just a couple of years the school's population has increased from 1050 to 1450 students and I believe the school was only built for 1500 students. I live right across from Bailey's Elementary School and I want my children to have a good education.

Whitney Redding

I am a parent of three students who have attended Bailey's Elementary School and I am the co-president of a civic association in Annandale. If the Task Force is interested in business and education this is a perfect example. We all want to see a success story at Bailey's. We are your shoppers.

John Thillmann then introduced the first of the two presenters tonight.

Curt Hoffman from the Economic Development Authority of Fairfax County (EDA) provided an overview of the real estate and office space market in Fairfax as well as the services that the EDA provides to businesses looking to move or expand in the county. The county has 114 million SF of office county-wide with about 2.76 million new SF coming on line. Of the 2.76 M SF, 1.5 million is speculative. He said a healthy office vacancy rate is in the 10% to 15% range in NOVA. He has never seen it higher than 18%. He went on to discuss the specific market that encompasses Seven Corners:

- No new office space in 20 years; anything over 12 years old is generally considered obsolete for office buildings (For example, need higher ceilings now, i.e. 12 feet from floor to floor in order to allow more height for additional cabling, etc. that buildings now require)
- Office rents are high – upwards of \$28 to \$32/sqft; by comparison Class B office rents in Tysons are in this same price range
- There is a Seven Corners HUB Zone established by the Federal Government and they will keep this designation until at least the 2020 census. It is located between Target and the Seven Corners interchange.
- Seven Corners needs a mix of new retail, office, and residential units
- There is a *Flight to Quality* trend in office space – where businesses are willing to pay more for higher quality, Class A office space.
- Office users are downsizing the average sqft per employee; change from 350 or 250 sqft per person down to 175 sqft per person

Nate Edwards from the EDA provided additional details on specific properties in Seven Corners that are either currently listed or recently sold. He said older Class B & C buildings in Seven Corners are selling for about \$150/sqft. They are typically on the market for about 100 days. A downside to the Seven Corners office market is the very high vacancy rate for office space in Bailey's and Crystal City. He explained the most common criteria that businesses are looking for in office space:

- 60,000-120,000 square foot office buildings
- 20,000 square foot building floor plates

Bruce Leonard from StreetSense gave the second presentation on national retail trends, considerations when planning for mixed use developments, and the Seven Corners retail market. Retail has been experiencing the perfect storm which has hurt the industry: 1. over expansion; 2. loss of wealth by the Boomer generation; 3. internet sales effect on commodity retailers; and 4. changing development patterns. He explained the most common criteria that businesses are looking for in retail space:

- Must be 60' deep
- Concrete construction
- Box retailers need to be a certain size and shape (there is a psychology of moving thru space that results in higher sales)
- Parking is critical for retail. It must be designed correctly with the right number of spaces
- Retail is trending towards "Immersive Retail" based largely on the shopping experience with an increase in restaurants. It is about a much finer grained, more experiential approach.

- Speculative retail is very dangerous in this market. Retail is NOT a leading use; it's a following use. If build a space wrong, you are not going to be able to fill it in today's market.
- Retail tenants are doing more due diligence these days. You can't force tenants into a location. Retail is kind of a binary use in that it either works in a location or fails miserably.

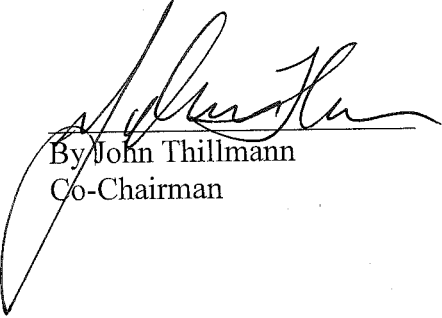
Next Bruce gave an overview of considerations for doing mixed-use development. One of the toughest and most critical aspects of doing mixed-use development is to get the parking right. You need to focus on this first or you won't be successful. Consumers use parking differently. If you make mistakes with the parking it will be hard to sell or lease the development. There is some tension between how you grow density and meet the parking needs. Underground parking increases cost by a factor of 5. For example, surface parking costs about \$3,500 per space, structured parking \$15,000 to \$20,000 per space, and underground parking costs from \$30,000 to \$85,000 per space. Phasing of mixed-use development is tricky. Retail likes to open at two times during the year – spring or fall, and to open all at once so there is critical mass. Both residential and office development gets absorbed over time.

Developers are looking at three primary issues when determining the right retail location: 1. land basis (\$); 2. construction type; 3. income/rental rates. He stated that income and land basis relates to the density and the building or construction type. The idea is to match construction economics with density. Also, there is a sweet spot between density and the land basis. Too much density can lead to barriers as much as too little density. The key to redeveloping an existing asset is that you generally need to at least triple the density.

Finally, there is another concept of mixed-use called multi-use, which is more horizontal mixing than vertical mixing of uses. This type of mixed-use is less risky because buildings can be done separately.

Other considerations: as we move from conventional retail to mixed-use, there is a need to get VDOT onboard. Need more complete street type of roads; no one-way pairs.

The meeting adjourned at 9:00 PM. The next Task Force meeting is Tuesday, March 12, 2013.


By John Thillmann
Co-Chairman

3/13/13
Date