

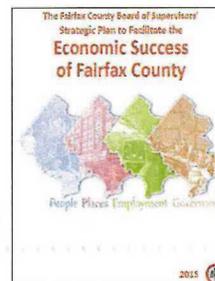
Building Repositioning/Repurposing
Planning Commission Presentation
January 11, 2017

Economic Success Plan

Recommendation 2.8 of the Strategic Plan to Facilitate the Economic Success of Fairfax County states:

“Study and implement ways to repurpose empty or obsolete commercial space for residential uses; urban schools or other public facilities; art and cultural purposes; live/work/manufacture uses; and/or start-up companies. Engage stakeholders in research and recommendations.

- a. Consider implementation tools such as land use and regulatory changes, innovative tax policies, and the use of public seed money or equity participation to spur or support redevelopment and infill, revitalization, and partnership opportunities for repurposing.



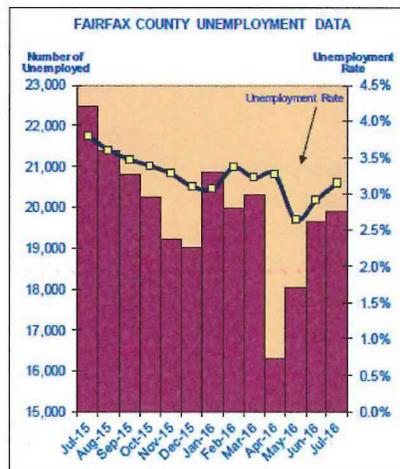
Workgroup

The Fairfax County Building Repositioning Workgroup

- Private and public sector stakeholders
- Evaluated:
 - Changing office market conditions within region
 - How buildings are changed over time to improve value
 - Potential process, policy and regulatory changes the County should consider to address these challenges and opportunities
- Informed by local case studies, research on trends and best practices from other jurisdictions

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Employment



Source: Virginia Employment Commission. Compiled by the Fairfax County Department of Management and Budget.

- Fairfax County Unemployment Rate is lower than the national average
- 3.2% - July, 2016
- National average - 4.9%
- Since 2010, Fairfax has added almost 47,000 jobs

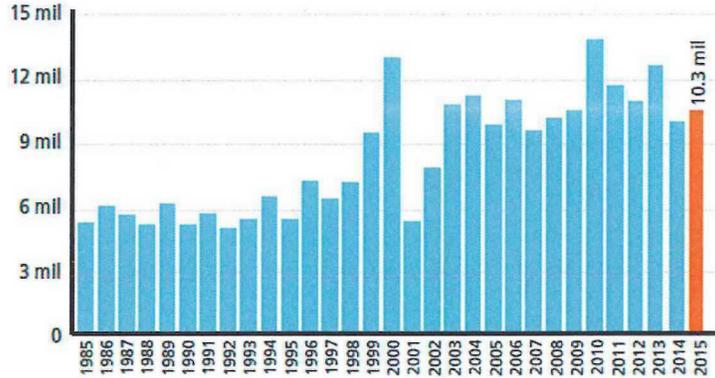
Data per DMB, Economic Indicators, Sept. 2016 and FCEDA 2010-2015 Annual Reports

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Office Leasing Activity

Office Gross Leasing Activity: 1985–2015

Square Feet



Strong and consistent leasing activity

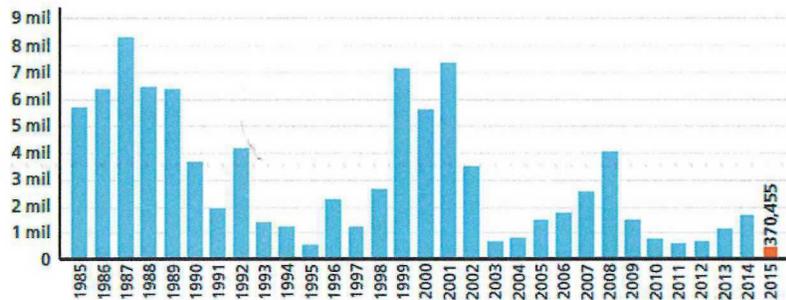
Data per FCEDA, Real Estate Report, Year-End 2015

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Office Construction

Office Building Deliveries by Year: 1985–2015

Square Feet



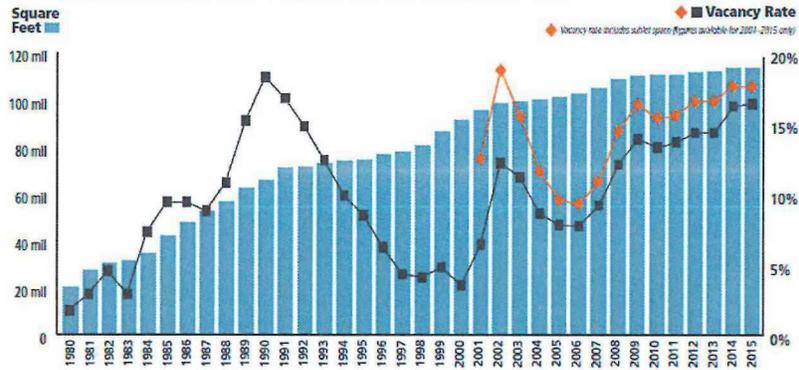
2.4 million sq. ft. of private office currently under development

Data per FCEDA, Real Estate Report, Year-End 2015

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Current Office Market

Countywide Office Space Inventory and Vacancy Rates: 1980-2015



Direct Vacancy Rate for Office - 16.2%

Total Amount of Vacant Office - 18.8M sq. ft.

Data per FCEDA, Real Estate Report, Year-End 2015

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Why is this happening?

- Flight to quality buildings in most submarkets
- Location and building characteristics driving relocation decisions

	All Office Classes	Class A Office	Class B & C Office
Fairfax Area Total	18.2%	17.4%	19.1%
Reston Submarket	16.0%	14.4%	18.3%
Route 28 Corridor South	18.2%	15.1%	23.4%
Tysons Submarket	18.6%	15.1%	22.1%

Data per Colliers International, 2nd Quarter 2016

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Significant Office Market Changes

- Reduction in amount of space per employee
 - 40% reduction anticipated between 2010-2017
 - Move to more efficient floorplates
- Demand for amenity rich locations to attract employees
 - From “birds and bunnies” to “burgers and brews”
 - Can be addressed with in-building amenities
- Access to transit is critical



Critical Factors Affecting Solutions

Elements Under Owner Control (to some extent)

- In-building amenities
- Investment in building (renovation, system enhancements)

Elements Outside Owner Control (to some extent)

- Existing building size, dimension, and floor plate
- Proximity to transit and amenities

Building Repositioning

Improve viability through investment in existing structure to make current use more competitive

For example:

- Façade and system improvements
- Addition of in-building amenities
- Changes to floor layout and leasing models



Removal of Precast Façade - 7900 Westpark Drive



New Façade - Silverline Center

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Building Repurposing

Improve viability through change in building use, for example:

- Office to Residential
- Office to Institutional (e.g., school or church)

Driven by changes in office market/forces outside of owner control



Office to Residential Conversion (e-Lofts) - Alexandria, VA



Office to School Conversion - Seven Corners, VA

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Emerging Trends & Technologies Case Studies

Initial items identified as emerging trends and technologies for owners seeking to reposition or repurpose buildings:

- Co-Working
- Co-Living & Flexible Live/Work
- Makerspaces
- Food Incubator
- Urban Farming & Vertical Farming

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Emerging Trends & Technologies

Co-Working

- Office space re-imagined
- An office or other working environment that is shared by people who often do not work for the same employer
- Lowers the financial entry point for those who are self-employed or start-ups, while free from typical lease constraints or commitments



Example Images of Co-Working Spaces

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Emerging Trends & Technologies

Co-Living

- A communal living concept akin to “dorms for adults”



Example Images of WeLive - Crystal City/Arlington, VA

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Emerging Trends & Technologies

Flexible Live/Work Units (e-Lofts)

- Unit may be used for living, for working, or for live/work purposes
- Standard size, configuration and finishes regardless of end user choice
- No segregation of units by use (e.g., by floor)



Example Renderings of e-Lofts (Flexible Live/Work Units) - Alexandria, VA



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Emerging Trends & Technologies

Makerspaces

- Community workshop facilities that integrate multiple uses at a single site (e.g. commercial, industrial and educational uses)

Food Incubator

- Offer shared commercial kitchen space and business coaching for food business entrepreneurs



NOVA Labs - Reston, VA



Frontier Kitchen - Lorton, VA

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Emerging Trends & Technologies

Urban Farming

- The production and distribution of food in a heavily populated community. Often used interchangeably with urban agriculture or urban gardening, and sometimes associated with vertical farming

Vertical Farming

- Hydroponic food production within buildings - multi-story greenhouse



Harding Street Project, Urban Ag/Indoor Farm - Petersburg, VA



Sky Greens, Vertical Farming - Singapore

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Repositioning Recommendations

Changes to processes and Zoning Ordinance to facilitate repositioning

- Add flexibility under Minor Modification provisions
- Permit minor increases in maximum allowable sq. ft.
- Provide greater flexibility for proffer interpretations
- Create a simplified Proffered Condition Amendment process for repositioning properties

Improve information sharing on repositioning

- Outreach on State of Virginia Rehabilitation Code
- Advertise new processes and potential to building owners and broker associations

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Repurposing Recommendations

Changes to land use planning policy

- Amend Comprehensive Plan Policy Plan to provide guidance for repurposing commercial buildings
- Participate in repurposing demonstration project
- Consider repurposing commercial buildings as part of public facility planning
- Consider a Special Exception process for designated area(s) permitting change in use without change to Comprehensive Plan or a rezoning
- Consider Board's Own Motion rezoning for selected buildings to position them for repurposing

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Repurposing Recommendations

Improve information sharing

- Create a solutions database to address common issues and resolutions
- Establish and document process for 'temporary' and 'pop-up' uses
- Utilize Economic Development Authority as a matchmaker between existing building owners and potential users

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Emerging Trend Recommendations

- Establish inter-disciplinary staff group to identify, monitor, and track emerging land use trends and how to accommodate them within the Zoning Ordinance
- Continue to use Building Repositioning Workgroup to vet ideas and regional land use trends
- Evaluate need for additional flexibility to accommodate multiple uses within a single space
- Monitor programs used in other jurisdictions to support fostering emerging trends
- Create a 'Repositioning Coordinator' position to facilitate the management of building repositioning and repurposing efforts

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Next Steps

Final Phase 1 Workgroup Report Published

Initial implementation focus on:

- Addition of a section to the Policy Plan on Repositioning/Repurposing
- Identification of potential area(s) for flexibility through Special Exception process

Move forward with implementation of recommendations through existing work plans:

- Zoning Ordinance Amendment Work Program
- Economic Success Strategic Plan initiatives
- Fairfax First

Phase 2 of Workgroup to address similar issues in existing industrial and retail sites