



EXECUTIVE SUMMARY

A COLLABORATIVE DEVELOPMENT PARTNER

The single biggest decision that the City of Falls Church will face during this process will be choosing a capable, committed and flexible development team for this key Public-Private Partnership. Markets will change, financing constraints will evolve, rezoning and community engagement efforts will cause the program to evolve, and the long-term goals and programming of the project will be further clarified. Ultimately, determining the right structure for the city will require City Council approval and will drive the strategy and influence the outcome of the ground lease terms. Thus, your partner is the most important choice. Who is most flexible? Who is most passionate? Who will devote the most senior experienced personnel, not just to “winning” an RFP process, but to creatively maximizing the opportunity for the City of Falls Church as a long-term partner?

We have passionately pursued this project for some time, having numerous meetings with the city, which have included the mayor, planning officials, and city manager. We believe this project has the potential to not only provide strong, long-term revenue for the city but to catalyze redevelopment in the adjacent areas as this Project emerges as a prominent, vibrant gateway to the city.

“Public-Private Partnership” does not exist in our lexicon to mean a simple disposition of land at nominal land prices. It means aligning interests such that the Public Partner can participate in the full economic value of the land developed to its greatest potential.

UNIQUE OPPORTUNITY

This Project is a rare and irreplaceable opportunity for the city and will indeed affect the greater Falls Church area and Northern Virginia itself. The suburbs of the Washington Metropolitan Area have experienced unprecedented change over the past decade, with mixed results. Some districts have achieved sustainable, vibrant growth without exacerbating impediments such as gridlock, while other submarkets have experienced continued challenges such as high office vacancy, wage stagnancy, and loss of vibrancy. Our team has been in critical roles in many of the transformative developments that have set the highest standard for redevelopment. EDENS role at Union Market and Mosaic are two transformative projects. Andrew Altman envisioned and planned not only CityCenter but also the recently opened Southwest Waterfront which will add more revenue to the District than any previous development in the history of DC. Fivesquares’ Principals and senior personnel’s roles in the planning of the Navy Yard and new waterfront park as well as Hine Junior High School Redevelopment are all strong testament to our ability to execute upon an opportunity as unique as the West Falls Church Economic Development Project. We are enthusiastic to work with the City of Falls Church to increase its regional competitiveness and participate in the thoughtful transformation of this site.

APPROACH

Our approach to projects of this size and complexity is two-fold. First, we create alignment between the development team and the land owner (the city) by carefully listening to each of the city’s concerns and addressing each in a comprehensive development program and structure. Second, we bring the highest-level executives from our firms, renowned for the projects they have completed, as well as best-in-class consultants to plan and implement the development plan that achieves highest and best use on the site.

Our team has a wide range of experience at creating partnerships that truly align the interests of the landowner and the development team. We are adept at negotiating long-term transactions. Our preferred approach is to create long-term value that exceeds simple economics so that the city can maximize its economic and non-economic interests.

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STRUCTURE

We partner to create win-win relationships. We align economic interests in many ways; through short or long-term ground leases, balancing upfront proceeds and long-term cash flow, participation rent, or capital event proceed participation beyond agreed-upon minimum returns. We are open to any of these approaches or a combination thereof. More specifically, the size of this deal and the nature of the city's short and long-term goals will ultimately shape how we structure and finance this development.

We have successfully crafted partnerships with a broad variety of both public and private institutions utilizing ground leases and other forms of participation as the methodology for partnering and the sharing of future profits. The Principals have structured and negotiated partnerships in the form of ground leases from Bethesda Row (the six blocks in downtown Bethesda bounded by Elm Street, Bethesda Avenue, Arlington Road and Woodmont Avenue that catalyzed this master planned pedestrian experience) to CityCenter (the 10 acres of the former DC convention center). These partnerships used a ground lease as a vehicle to create significant economic value for the City and the developers. Most recently, we have partnered with WMATA on the eight-acre Grosvenor Strathmore Metro Station and significantly increased the value of the property by working closely with the County to re-envision the future of this TOD development, quadrupling the development potential and sharing that with WMATA as a partner. Our partnership with Whitman-Walker Health includes a significant sharing of profits, while as Developers we absorb the capital and development risks for the transaction.

Depending on the situation we can easily vary the length of the ground lease as well as to structure small to large upfront payments and larger or smaller long-term upside depending on the needs of the city. The key is transparency and alignment. When this occurs the economic value of the project is maximized and all parties benefit.

DIFFERENTIATORS

Our team has a proven track record of successfully structuring and financing complex Partnerships and projects that drive maximum benefits to our Partners. We created CityCenter's structure, envisioned the Wharf at SW Waterfront, created Union Market and the Mosaic District, and are under construction on Whitman Walker Health's defining project for the 14th Street corridor.

We have the financial strength and flexibility to work closely with the city to design a deal structure that is specific to the needs of this project, maximizes value to the city and advances the city's short and long term economic and non-economic interests.

Our mission is partnership with institutions in whom we believe and who can benefit from applying our decades of proven creativity and vision.