

Voluntary Concessions, Community Benefits, Terms and Conditions  
Falls Church Gateway

In association with the requested rezoning and special exceptions to allow the mixed-use redevelopment of 500, 510 and 520 North Washington Street, Falls Church Gateway, LLC (the "Developer") voluntarily proposes to make the following concessions for the benefit of the community and the City of Falls Church (the "City"):

1. Affordable Housing: The Developer agrees to provide new affordable housing in the City by one of the following three ways: 1) making a cash contribution to the City's affordable housing fund, 2) constructing affordable units within the redevelopment project, or 3) a combination of a cash contribution to the City's affordable housing fund and constructing affordable units within the redevelopment project. The Developer agrees to provide affordable housing on the terms provided herein.
  - a) The Developer will contribute \$1,300,000 to the City at the time of first certificate of occupancy issuance for the residential building. Any cash contribution whether for the \$1,300,000 or a portion thereof shall include an additional amount as calculated by the percentage increase in average assessment value for existing multi-family units in the City at the time building permit are issued, but not less than the original amount of \$162,500 per unit.
  - b) In lieu of (a) above, the City may elect, at a time no later than Site Plan Approval, to have the Developer construct up to eight (8) affordable dwelling units ("ADUs") in the residential building of the redevelopment project. Five (5) of the ADUs will be one-bedroom units and three (3) of the ADUs will be two-bedroom units, consistent with the ratio of market-rate one- and two-bedroom units. The ADU size will be in keeping with the typical project size for each unit type. The Developer will provide one parking space per ADU or at least the same number of parking spaces allotted to each market-rate unit. Should the City elect to have the Developer construct less than eight (8) ADUs, then the Developer will contribute \$162,500 for each unit less than the maximum of eight (8) units that will be constructed within the redevelopment project. The cash contribution will be paid at the time of certificate of occupancy issuance for the residential building. For example, if the City elects to have the Developer construct four (4) ADUs within the redevelopment project, then the Developer will contribute \$650,000 to the City at the time of certificate of occupancy issuance for the residential building. ADU construction of less than eight but five or more units shall include at least two (2) 2-bedroom units; ADU construction of four or less units shall include at least one (1) 2 bedroom unit. Should the City elect to have ADUs constructed within the redevelopment project, the following terms will apply:
    - i) The Developer agrees to accept Restrictive Covenants, which shall define terms and conditions of the ADUs regarding issues including, but not

limited to, price control periods and owner/renter occupancy. These Covenants shall run with the land and be an encumbrance on the ADUs. The Restrictive Covenants shall be recorded with the City's land records in Arlington County.

- ii) The Developer agrees that the City or its designee shall sell or rent the ADUs directly or through its designated agent to qualified buyers or renters. The City shall regulate and establish ADU qualification priorities and evaluate and qualify prospective applicants in accordance with the Affordable Unit Program official administrative procedures and regulations adopted September 12, 2005. All ADUs shall be dispersed throughout the project.
- iii) If rented, the monthly rent for the ADUs shall be \$1,449 for one-bedroom units and \$1,656 for the two-bedroom units in accordance with the 80% HUD median income rents approved by the Housing Commission for a term of 20 years. The ADU monthly rent shall include an additional amount as calculated by the percentage increase in HUD median income, but not less than the original ADU monthly rents listed above.
- iv) If any ADU rental units are marketed for sale as individually and separately owned condominiums within 20 years after the certificate of occupancy is issued for the residential building, then such ADU units shall become home ownership units subjected to the conditions in (v). The City shall be notified a minimum of 120 days prior to the time of the first proposed condominium sale. All ADUs which the Developer desires to sell shall be made available for sale within the 120 day period. Tenants of individual ADU units shall be given the right to purchase their individual unit at prices established under (v). ADU tenants opting not to purchase shall receive relocation benefits from the Developer as outlined in the City of Falls Church Voluntary Relocation policy.
- v) If sold as a condominium, the Developer agrees to use commercially reasonable efforts in working with the condominium fees for such ADUs as allowed by the Virginia Condominium Act and applicable law. Upon written notification by the Developer (as outlined by the City) that an ADU is available for sale, the City or its designee shall have the right of first offering to purchase the for-sale ADU for a sixty-day (60) purchase period. In the event that the City does not exercise such right to purchase the ADU or settle on the ADU, the ADU shall be offered for sale exclusively to City qualified and designated non-profit organizations for a period of thirty (30) days. In the event that the ADU is not sold as outlined above, the Developer shall be entitled to sell the ADU without further restrictions except as set forth in this document at market rates. Net sale proceeds received by the Developer in excess of the ADU price shall be divided equally between the City and the Developer. The Developer agrees that the ADU sales price shall be \$246,942 for one-

bedroom units and \$288,699 for the two-bedroom units in accordance with the 100% HUD median income and For Sale Affordable Dwelling Units (ADUs) prices approved by the Housing Commission. The ADU sales price shall include an additional amount as calculated by the percentage increase in HUD median income at the time building permits are issued, but not less than the original sales prices listed above. The limitations on sale of ADUs shall apply for a period of fifteen (15) years following the initial sale and with resale within that first fifteen (15) years of each subsequent owner's date of purchase.

vi) Tenants/owners of the ADUs shall have all duties, rights and privileges as all tenants/owners in the project.

vii) The Developer shall comply with all applicable fair housing laws.

2. Pedestrian-Oriented Design Elements: In order to create a more pedestrian-oriented environment and beautify the Washington Street gateway to the City, the project will include the following:

a) Streetscape improvements will be constructed and furnished by the Developer along North Washington Street in a 20-foot dedicated right-of-way including brick sidewalks, lighting, landscaping, refuse and recycling receptacles, stormwater management for public drainage, street furniture, utility undergrounding, and other features as shown on the adopted N. Washington Street Streetscape. No ground surface building features (i.e. steps, landings, integrated planters) may encroach into the 20-foot right-of-way. In general, the City and Developer intend to provide a minimum of 10 feet of clear sidewalk width between the plantings and building for pedestrians.

b) On-site utility connections will be placed underground, so long as the associated off-site easements can be commercially reasonably obtained by the Developer. Switchgear equipment, transformers, tanks, and generators will be located within the buildings or in underground vaults.

c) Intra-parcel pedestrian connections at existing grades such as the entrance plaza and sidewalks lining the mews street with public seating and landscaping.

d) Distinct buildings oriented along the North Washington Street sidewalk to activate the new pedestrian corridor.

3. Transportation Improvements: Since the property is located on the City limits near Metro, I-66, the W&OD Trail, and Metro bus routes, the traffic impact of the redevelopment will be reduced. Additionally, traffic through the surrounding neighborhood streets will be minimized because no curb cuts are proposed on Jefferson Street. Beyond these factors the applicant proposes the following concessions:

- a) Gresham Place will be widened by one vehicle lane along the site's property line (not to encroach further into the RPA) to provide two vehicle lanes approaching North Washington Street, designated as a shared left-through lane and a separate right turn lane. This improvement would facilitate right turns by providing storage for left turning vehicles at the intersection, thereby reducing delays and queuing potential. The Developer shall agree to reprogram the additional vehicle lane to on-street parking spaces between the Gresham Place curb cut and the eastern property corner, if the City instructs it to do so before Site Plan approval.
- b) A cash contribution of \$200,000 will be made to the City no later than thirty (30) days after the issuance of building permits. With these funds, the City will make improvements in the vicinity of the redevelopment project in the following order of priority.
  - i) At a minimum, the City will upgrade the existing traffic signal at Gresham Place and North Washington Street to a fully functioning signal. The City will use its best efforts to upgrade the traffic signal in a timely manner. The City and Developer will coordinate connections related to the traffic signal.
  - ii) Any remaining funds will be applied to stream/stream bank improvements for Four Mile Run directly across from the redevelopment project or other water quality/quantity improvements in the vicinity of the redevelopment project area. The final choice of project and location will be at the sole discretion of the City; however, the City will be mindful of a nexus to the project. A potential project may be within Crossman Park just downstream of the project site.
- c) The Developer will cooperate with a potential future City-led initiative to install a raised median along the centerline of N. Washington Street between Gresham Place and Jefferson Street. The City will be responsible for installing the median and obtaining the associated VDOT approvals. In the event that VDOT approval is not granted, the Planning Director in consultation with the Director of Engineering and Construction will determine and require appropriate site plan changes of the Developer to enforce the "No Left Turn" into and out of the site at the N. Washington Street curb cut.
- d) Gresham Place Improvements: Developer will make the following repairs to Gresham Place at the end of construction: repair broken and heaving sidewalk sections on north (stream) side of Gresham Place and ensure ADA compliance, as needed by code; replace failing guardrail along Gresham Place; construct new sidewalk along southern (project) side of Gresham Place; reinstall or replace three City-owned Acorn-type street lights on southern side of street (final installation must be in accordance with city guidelines for street lights with respect to circuit design, appurtenances); and repave Gresham Place from eastern property corner to N. Washington St. All repairs are subject to City Engineer review and approval.

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- e) E. Jefferson Street Improvements: Developer will repair broken and heaving sidewalk sections on North (project) side of Jefferson Street and ensure ADA compliance, as needed by code. Developer will also underground all utilities on E. Jefferson Street from N. Washington Street to the easternmost property corner.
- f) Large Truck Restrictions: Large wide body, 50-foot and plus, semi-trailer trucks shall be prohibited from entering the subject site during peak am and pm vehicular traffic hours (i.e. 8 to 9 am and 5 to 6 pm) for loading or other non-emergency purposes, to the extent possible through administrative measures under the control of the property management. The use of signage at the residential loading space, reserved moving time reservations and similar measures shall be deployed for residential household moves to limit large truck access to off-peak periods. The City shall not restrict access of trucks of 30-feet in length or less during peak periods.
- g) Bicycle Storage: The Developer shall provide secure bicycle storage facilities for both residential and commercial users of the project.

4. Stream Improvements: The property is located across Gresham Place from Four Mile Run. In order to protect this natural feature, the redevelopment will include several elements that will benefit the environmental quality of the stream. The site is believed to contain some petroleum contamination as a result of previous nearby automotive uses. Any contaminated soil encountered during excavation will be removed from the site and properly disposed. Additionally, since the existing property has no stormwater management, the installation of a stormwater filtration system will result in a significant reduction in the site's pollutant load on the nearby stream. In addition to these beneficial features, the project will include the following concessions:

- a) The project will treat all roof area drainage with either a vegetative green roof or cisterns or combination. The Office Building A will have a vegetative green roof that covers at least fifty percent (50%) of the building's roof area. In addition, storm drainage from areas where cars travel that are exposed to rainfall and/or runoff (e.g., drive aisles, surface parking) will be directed to an appropriately sized BMP(s).
- b) Funds received from the Developer cash contribution referred to in Section 3(b) above will be used to make stream and water quality improvements as described in Section 3(b)(ii).
- c) As part of construction, the developer will remove all contaminated soil from the site and surrounding area that is disturbed through construction. Any off site areas will be restored as directed by the City. In addition, Developer will provide documentation regarding the extent of soil contamination as explored by a licensed professional in an Environmental Site Assessment. Developer will conduct its redevelopment work in accordance with applicable environmental state and federal regulations and provide documentation to the City.
- d) Developer will install a structural BMP (Stormceptor, Downstream Defender, Bay Saver, Vortechincs) in the City's ROW along Gresham Place to treat stormwater prior

to discharge to Four Mile Run. All designs will be approved by the City Engineer.

5. Additional Buffer: No construction grading will be conducted behind the existing brick wall that is located on the subject property along the boundary line with the adjacent residential neighborhood without specific approval from the Planning Commission, or its designee, to do so.
6. Excavation Monitoring: The Developer agrees to monitor for soil movement and structural damage for adjacent structures during and after excavation for the project. Structures within a distance equivalent to the depth of excavation plus ten feet shall be surveyed for pre development conditions and compared to post development conditions. For such structures, Developer agrees to provide insurance coverage for damages caused by excavation or construction activities, as independently verified by a third party engineering consultant provided by the Developer. In no way shall this provision limit the liability of the Developer or its contractors for damages caused by construction activity.
7. Underground Parking: The project will provide parking in a below-grade garage to create better pedestrian circulation and site amenities. The garage will be constructed in a manner that permits 800 MHz radio signals to be transmitted and received from within the garage. Public access to the garage commercial parking after hours shall be given, subject to safety considerations and reasonable rules, as mutually agreed to by the Developer and City.
8. School Capital Cost Contribution: A voluntary contribution will be made to the City of Falls Church to offset school capital costs as outlined in the City's Adopted Capital Improvement Program. The contribution will equal \$7,129 for each residential unit. The total contribution shall be paid at the time of the issuance of the first residential certificate of occupancy.
9. LEED Criteria: The Developer agrees to have the project designed such that a Leadership in Energy and Environmental Design (LEED) Accredited Professional can and will certify that the project is likely to yield at least the points necessary to achieve status of LEED Silver under LEED CS for the office building and LEED certified under LEED NC for the residential building. Should the office building be constructed as a build-to-suit for a single office user, the office building will be designed to achieve status of LEED NC (New Construction) Silver, as opposed to CS (Core & Shell). Prior to Site Plan Approval the Developer will provide the City with a LEED checklist as prepared by a LEED Accredited Professional. Following completion of construction and occupancy, and in accordance with LEED guidelines, the Developer will prepare necessary documentation and seek official LEED certifications from the U.S. Green Building Council. Prior to the issuance of building permits, the Developer will post a \$50,000 bond or letter of credit for each of the two proposed buildings (totaling \$100,000). If the building achieves the intended LEED certification, then the associated bond or letter of credit will be released by the City. If the project does not achieve the intended LEED certification within three (3) years after the issuance of the respective certificate of

occupancy for each building, then the City will redeem the associated bond or letter of credit for City improvements associated with climate change.

10. Phasing: No certificate of occupancy (CO) for any residential unit will be issued until the office building core/shell certificate of occupancy is issued by the City.
11. Residential Unit Ownership: The residential building of the redevelopment project shall be a residential condominium complying with the condominium laws of the Commonwealth of Virginia, which requires, among other things, that each unit is recorded and taxed as a separate lot of real estate. The Developer and future residential condominium unit owners shall have the right to rent each condominium unit.
12. Street-level Retail Uses: The Developer agrees to reserve a portion of the street-level commercial space in the redevelopment project solely for the retail and service uses described herein. The reserved space shall be located along the frontage of North Washington Street and will be a minimum of 4,000 gross square feet in the Office Building A and minimum 2,000 gross square feet in the Residential Building B. The allowable uses in the reserved retail space shall include retail business uses allowed, by right, in the B-1, limited business district, as well as, restaurants and banks. Service uses in the reserved retail space shall not be permitted. The allowed retail uses shall be consistent with uses permitted in the retail business subsection of the B-1, limited business district, as determined by the Zoning Administrator. The definition of retail is an establishment where new and used goods are exchanged for purchase and removal from the premises. The reserved retail space in Office Building A shall provide a minimum slab-to-slab story height of approximately 17 feet and sufficiently sized ventilation options to the roof appropriate for restaurant uses.
13. East Falls Church Metro Station: The Developer acknowledges that it would benefit from future East Falls Church Metro station transportation and facility improvements and generally supports such improvements.
14. Other Terms and Conditions
  - a) Developer acknowledges that Special Exceptions as granted, run with the land and they are not transferable to other land.
  - b) Developer acknowledges that if granted, the Special Exceptions will be contingent upon the conditions noted above, and shall not relieve the Developer from compliance with the provisions of all applicable ordinances, regulations, or adopted standards.
  - c) Developer acknowledges that the Special Exceptions shall automatically expire, without notice, thirty-six (36) months after the date of approval unless the use has been established or construction has commenced and been diligently pursued, in accordance with Division 3. Section 48-90. (d), (6) of the City of Falls Church Zoning Ordinance.

- d) Site plan approval is defined as approval of the site plan for the subject project by the Planning Commission. Developer shall apply within 90 days of that Site plan approval for the associated administrative staff approvals and related bonds using good faith efforts to complete these approvals in a timely manner. There may be consideration of one extension of 3 months for the above timeframe at the discretion of the Planning Director/General Manager of the Department of Development Services (DDS).
- e) Should the Developer sell its interests or a portion thereof, rights, approvals, or convey a controlling interest to their respective corporations or similar legal entity, any purchaser of such interests, rights, approvals, or controlling interest shall be bound by the terms and conditions contained herein.
- f) Developer voluntarily submits the foregoing concessions, terms, and conditions to the City Council to be incorporated by reference within the Resolution for the Special Exceptions, should City Council grant the applications for Special Exceptions.
- g) Developer acknowledges that the City Council has the legislative prerogative to grant or deny the applications based upon the City Council's fair determination of the best interests of the public within the limits of the applicable laws as balanced against the private property rights of the Developer.
- h) The Developer acknowledges, understands and agrees that the property shall only be developed in accordance with the Special Exception as granted.

Binding Effect of Voluntary Concessions, Terms and Conditions: Each reference to the Developer in this Voluntary Concessions, Terms and Conditions Agreement shall include within its meaning and shall be binding upon the Developer's successor in interest of the site or any portion of the site.

FALLS CHURCH GATEWAY, LLC,  
a Delaware limited liability company

By: AKRIDGE OFFICE FUND, LLC,  
A Delaware limited liability company,  
Managing Member

By: AKRIDGE FUND MANAGER, LLC  
Its Managing Member

By: JACO MANAGER, INC.,  
A Delaware corporation,  
Managing Member

By: \_\_\_\_\_

Name: Thomas W. Wilbur

Title: SVP

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