



Economic Development Authority January Meeting Minutes

Tuesday January 5th, 2021 @ 7 PM

NOTICE: This meeting will be held pursuant to and in compliance with the Virginia Freedom of Information Act, Section 2.2-3708.2 and state and local legislation adopted to allow for continued government operation during the COVID-19 declared emergency. All participating members of the Economic Development Authority will be present at this meeting through electronic means. All members of the public may view this electronic meeting via the meeting link listed above and in the City's website calendar.

Public comments may be submitted to yweiner@fallschurchva.gov until January 4th, 2021 at 8:00 pm. All comments will be provided to the EDA members.

PLEASE NOTE: This meeting will be conducted using Microsoft Teams. Don't have the Teams app? You can still join a Teams meeting. See the instructions attached to this meeting agenda. Please email yweiner@fallschurchva.gov if you need assistance with installation. During the meeting, staff will likely not be available to assist with installation.

1. Call to order at 7:03 pm
2. Roll call and virtual meeting notice

EDA Members Present: Chair Bob Young, Vice Chair Brian Williams, Jim Coyle, Edward Saltzberg, Sandra Kiersz, Matthew Quinn

EDA Members Absent: Erin Messner

Student Liaisons Present: Rex Crespin, James Trombo

City Staff Present: Jim Snyder, Val Weiner, Wyatt Shields, Becky Witsman, Nancy Vincent, Susan Bell

Public Attendees: Letty Hardi, Phil Duncan, Tim Stevens, Robin Betteral, Debbie Hiscott

3. Approval of December 1st EDA Minutes at 7:06
 - a. Link to EDA Minutes:
<https://www.fallschurchva.gov/DocumentCenter/View/13685/Draft-December-EDA-Minutes>
4. City Manager Wyatt Shields gave an update on the Falls Church Gateway Partners (FCGP) proposed changes to the West Falls project (next to new George Mason High School/West Falls Church metro)
 - a. City Manager Wyatt Shields briefed the EDA on the proposed changes to the economic agreement between the City and Falls Church Gateway Partners.
 - b. Mr. Shields explained that the City Council plans to deed the land to the EDA, so that the EDA is the lessor of the 10 acres next to the High School to FCGP. This is to allow for a longer ground lease than is allowable for local governments to manage. With this deed, the land could be subject to a 99 year ground lease.
 - c. The powerpoint and a description of the changes can be found here:
<https://www.fallschurchva.gov/DocumentCenter/View/13703/FCGP-Proposal-for-Town-Hall>

- d. Vice Chair Brian Williams moved that the EDA endorse the renegotiation of the Gateway Partners agreement as described by the City Manager, and that City Council move forward with urgency. Jim Coyle seconded the motion.
 - i. Ed Saltzberg offered a friendly amendment to add “while prioritizing protecting the public interest”.
 - ii. Unanimous approval from the EDA with the amendment and to communicate that action to the City Council
- 5. Proposed Special Exception (SE) Primary Criteria update presentation from Susan Ingraham Bell, Senior Planning Consultant
 - a. EDA summary memo on SE proposed update:
<https://www.fallschurchva.gov/DocumentCenter/View/13687/SE-Memo-for-EDA>
 - b. Full Staff Report: <https://www.fallschurchva.gov/DocumentCenter/View/13686/SE-Amendment-staff-report>
 - c. SE Proposal Attachment Project Map:
<https://www.fallschurchva.gov/DocumentCenter/View/13688/SE-Amendment-Attachment-1---Project-Map>
 - d. Senior Planning Consultant Susan Ingraham Bell presented the proposed SE criteria changes (see above documents for details). EDA comments included:
 - i. EDA members liked the move towards prioritizing quality projects vs. preference for a quantity of net new commercial square feet or larger projects.
 - ii. EDA members also expressed concern that Criteria B (current net new commercial SF requirement) is too reliant on the subjective interpretation of the word “significant”; this emphasis could exclude smaller projects as opposed to promoting them.
 - 1. City Staff noted the word “significant” is in the current language for the SE criteria, and it is not part of the changes.
 - iii. EDA members also expressed concern with Criteria C where the proposed new word “residential” as regards revenue has been stricken. EDA members suggested that recent projects were rejected because they could not attain the City’s requirement for “significant positive net new commercial revenue”, but these projects were able to attain that requirement if considering the combined revenues from both the residential and commercial revenues, thus possibly making project approval unattainable.
 - iv. EDA members noted the bulk of revenue from recent projects comes from residential development. The emphasis on commercial could make development more difficult and produce less revenue.
 - 1. City staff explained that they removed “residential” with the goal of encouraging the need for a reasonable amount of commercial uses
 - 2. City staff also noted the change from residential to commercial revenue came out of a City Council work session. The goal would be to avoid projects with 0% commercial. Staff suggested there could be more of a blend.
 - v. EDA members also expressed concern that the markets for commercial (retail, hotel and office) are not performing well during the pandemic, and the future of these markets is unclear. Putting additional emphasis on these markets could produce negative impacts to the City by stifling development altogether.
 - vi. City council member Letty Hardi asked staff whether multifamily units would be calculated as commercial revenue, and whether owner-occupied condos count as residential revenue. If that is the case, striking ‘residential’ from the language could have the opposite effect than desired.

1. City staff noted the way project revenue from commercial and residential uses is calculated differently than it is classified by the City Assessor. Commercial revenue counts as “office, retail, hotel”, whereas any housing, rental or “for sale” would count as “residential”. Therefore, with the proposed changes, condo development would still have to include commercial space depending on the site.
- vii. EDA members asked what for an explanation of the original intent of the SE criteria as it is currently written (pre-changes):
1. City Council member Letty Hardi explained the original goal of the ‘net new commercial’ requirement was to diversify the City’s commercial tax base. EDA members expressed concern that maintaining this requirement will perpetually make it more difficult for new, smaller condo projects (which is one of the ultimate goals of these changes).
 2. EDA member Ed Saltzberg described that part of the intent of the original policy was to spread out the commercial areas throughout the City. He noted that they have since learned it is not beneficial to businesses or development to spread it out, as opposed to condensing development in the commercial areas.
 3. City Council member Phil Duncan noted that Council used to think residential was non-revenue producing, where they’ve now found multi-family to be profitable in the years since the original criteria was put in place. Mr. Duncan agreed that these proposed changes do not accomplish the shift towards promoting smaller condominiums without ground floor commercial.
 4. The EDA overall agreed the language needs more review in view of the above and in accomplishing the originally intended reasons for the proposed changes.
- viii. EDA members also noted the required 75% percentage of affordable housing units for exemption from other primary criteria is too high and that concentrating affordable units could have a negligible impact.
1. City Council member Letty Hardi noted Planning staff is researching a lower percentage that is more realistic for the City.
- ix. City Council member Letty Hardi asked City staff to prepare the multi-family unit net revenue report to share with the EDA and others in order to show the value of these projects.
- e. Update from EDA Chair Bob Young on the January 4th City Council Work Session on the Broad and Washington project (links to related documents here):
- i. Link to the 4th submission: <http://www.fallschurchva.gov/1648/Broad-Washington-Project> (need to scroll pretty far down page to find ...)
 - ii. Revised Voluntary Concessions that were discussed: http://www.fallschurchva.gov/DocumentCenter/View/13662/5-Redlined-Voluntary-Concessions-8_10-12_17-Comparison
 - iii. City Council member Letty Hardi reviewed the changes in the new Insight proposal for the Broad and Washington site. The new proposal incorporated many of the EDA’s suggestions, including:
 - Written commitment to EDA Wayfinding signage
 - Added “fire-rated” to venting language for 5,000 SF of restaurant space
 - EDA had requested a “broader range of community use type alternatives” for the space vs. only other “arts and entertainment tenants” as a replacement in their last VC language. As a result of the EDA

suggestion they included “and community use” in the revised VC. evised language regarding possible redistribution of uses of the ground floor space from “up to 10% of the ground floor area” to “up to 2,500 square feet”.

iv. Other comments:

1. Council member Letty Hardi asked the EDA to also discuss how the proposal addresses affordable housing. Mrs. Hardi supports more units at a higher percentage of AMI. This is in some part so the City can house the residents of City projects that are losing their affordable subsidies within the next 10 years. If, however, the focus is put on monetary, “cash in lieu” ADU contributions instead, Mrs. Hardi would like staff to identify CIP housing projects that would require those funds, in order to make a more substantive argument for more money.
 2. City staff Nancy Vincent noted she supports fewer units at lower AMI because the City currently does not adequately house/support this population.
 3. EDA members generally support allocating more funds towards affordable housing, with the goal of identifying specific investments for those funds.
 - a. City staff asked whether the funding could be used to extend the affordability of units that are going to lose subsidy in the next couple years.
 - b. The City is applying for an Amazon grant that will ideally help to offset that loss by subsidizing the difference.
 4. EDA members also highlighted the importance of supporting affordable housing as an economic driver for the City, in addition to a moral endeavor. City ‘values’ are critical, but the EDA should focus more on the economic argument, such as providing housing for employees of City businesses who may currently live outside of the City, which would only strengthen this ask.
 5. EDA members agreed they would prefer supporting workforce housing at higher AMIs, as opposed to lower, since City staff mentioned the goal of housing those who work in the City but cannot live there.
 6. The EDA did submit a letter of support to Council in December of 2020, specifically supporting a shift in the distribution of the VC money from either schools, the library, or parks to affordable housing. The EDA did not commit to a percentage of affordable units, focusing on increasing monetary contributions instead. The EDA still stands behind this letter, moving more VC money towards affordable housing, under the new proposal.
6. Kaiser Signage Update
 - a. City staff updated the EDA that Kaiser plans to change the “members only” sign at the entrance to the parking lot to better describe when the lot is public. Staff is waiting to hear back from Kaiser on a new quote for the electronic sign outside the lot.
 7. Wayfinding signage BID Update
 - a. City staff updated the EDA that the wayfinding bid will go out the week of January 8th, 2020. Staff will keep the EDA updated as the project moves forward.
 8. Adjourn at 9:10 pm