



Arts District Hyattsville, EYA

RESPONSE TO REQUEST FOR PROPOSAL
FOR

WEST FALLS CHURCH ECONOMIC DEVELOPMENT PROJECT

RFP NUMBER 0501-18-GMHS-WFC

May 1, 2018

Jim Wise, Purchasing Agent
The City of Falls Church
300 Park Avenue
Falls Church, VA 22046

RE: EYA Proposal, RFP No. 0501-18-GMHS-WFC

Dear Mr. Wise,

Falls Church Gateway Partners ("FCGP"), a partnership between EYA ("EYA"), PN Hoffman ("PNH"), and Regency Centers ("Regency"), is proud to share our qualifications and our vision for the potential redevelopment of the George Mason High School - West Falls Church PPEA Property ("Site"). We have assembled a superior team with the creativity, qualifications, capacity, track record, near and long-term vision, and resources to deliver on the important and ambitious goals that the City and community have set for this project. FCGP has been impressed by the City's commitment to the redevelopment of the site. The City laid the ground work by creating a planning construct for the site that will enable appropriately scaled mixed-use development and by voting to fund the roughly \$120 million reconstruction of George Mason High School. We share the City's belief that the redevelopment presents a once-in-a-generation opportunity to transform one of the last remaining large sites in the City into a thriving mixed-use community and contribute to the renaissance in West Falls Church. In concert with the City, FCGP is prepared to develop a creative vision for this project, along with the neighboring properties, which will help drive future economic success in The City.

FCGP has more than 91 years of combined real estate development experience and has an unparalleled track record of successfully delivering large-scale, mixed-use, transit-oriented neighborhoods throughout the region. In addition, the team has experience with public private partnerships and leveraging tax revenues to create needed infrastructure and revenue streams for the benefit of the local jurisdiction. Collectively, the teams that comprise FCGP have successfully shepherded over 342 projects through complex local, state, and federal entitlements and delivered on our promises to numerous public agency partners as well as public and private land sellers. FCGP has the financial capacity and access to premier financial partners to finance a long-term, multi-phase project of this size and scale. In addition, FCGP has come up with a phasing plan that will deliver the much-needed sense of place in the first phase while remaining realistic from an absorption perspective.

FCGP has identified best-in-class partners, many with deep roots in the City of Falls Church, including our civil engineer, Walter Phillips; land-use counsel, Baskin, Jackson & Lasso; public finance consultants, MuniCap; and master planner, Torti Gallas. In addition, the team has letters of interest from Clark Construction/Clark Builders Group and Donohoe Construction indicating their ability and desire to participate in the selection process and potentially build the project. Highlights of our experience and capabilities follow:

4.3 EXECUTIVE SUMMARY

- **EYA**, one of the region's premier urban-infill, market rate and mixed-income developers, has developed more than 5,000 homes across 40 different communities in the region. Its portfolio includes nearly 1,000 affordable housing units, including public and workforce housing, and five mixed-income communities developed in partnership with local government entities in DC, Alexandria, and Montgomery County (e.g. Capitol Quarter, Chatham Square, Old Town Commons).
- **PN Hoffman**, one of Washington, DC's largest commercial real estate developers and premier residential builder, has delivered 3,500 housing units in over 50 different projects including nearly 600 affordable and workforce units and nearly 2 million square feet of retail and commercial space. PNH's flagship redevelopment, The Wharf, opened on-time and on-budget last fall to local and national acclaim. The 2.1 million square feet of mixed-use development in Phase One includes 650 mixed-income apartments with 131 units affordable at 30/60% AMI and 69 workforce units at 100/120% AMI.
- **Regency Centers**, a highly regarded retail REIT with a strong national footprint in 35 of the top 50 U.S. markets, proudly owns and operates 427 centers totaling 59 million square feet nationwide. Regency has developed 228 shopping centers since 2000, representing an investment at completion of more than \$3.8 billion. Regency has 30 projects totaling \$600 million currently under construction, 8 of which are ground-up developments and 22 are redevelopments. Guided by principles cultivated for more than 50 years, Regency is proud to be vested in each and every community they serve as long-term property owners.
- **Torti Gallas + Partners**, is a national leader in master planning and designing residential, mixed-use, transit-oriented, and commercial developments for the public and private sectors at the local, national, and international levels. They take pride in balancing the diverse needs of communities with the realities of the marketplace to arrive at buildable solutions that bring value to their clients and to the people who will ultimately live, work, learn, shop, visit and play in the communities in which they work. In applying this successful, market-focused balance, Torti Gallas has designed over 485,000 residential units, 15,000,000 square feet of commercial/office space, and planned over 1,800 residential and mixed-use communities. Since their founding, these projects have resulted in more than \$75 billion of construction.

Mixed-Use Experience. FCGP has the breadth and depth of local mixed-use planning and development experience that the City of Falls Church requires. Our extensive collective and individual experience is outlined in detail throughout this response.

City Knowledge and Experience. FCGP is very excited about the opportunity to work with the City of Falls Church and to bring a new perspective on how to build a world class mixed-use project in the City. We also recognize the importance of having local knowledge and expertise on the team. FCGP is proud to have David Lasso of Baskin, Jackson & Lasso and City-based civil engineering firm Walter Phillips on the team; they bring an incredible wealth of knowledge about the local community and land use processes of the City. In addition, EYA has partnered with MuniCap who has consulted in the past with the City of Falls Church regarding methods for funding the new high school and brings to the table a wealth of experience having worked on public private partnerships at Mosaic, The Wharf, and White Flint Metro among other projects.

Financial Capacity. Our development capacity and expertise is complemented by the substantial financial capacity of PNH, EYA, Regency, and our potential capital partners. Regency is a publicly traded company with a total market capitalization of approximately \$15 billion that develops with their own cash and no financing contingency, giving FCGP a significant advantage and flexibility to react quickly to market conditions. In addition, PNH and EYA are well established local firms with strong balance sheets and 25-year histories of meeting their financial commitments. PNH's financing acumen is evident at The Wharf which required \$800M in private debt across seven different banks and \$415M in equity. Similarly, EYA has raised more than \$326M in total equity and currently has more than \$42M of third-party equity invested in its development projects. Both PNH and EYA have long borrowing histories with Wells Fargo, M&T, Eagle Bank and many others. PNH and EYA stand behind their commitments and obligations, having never defaulted on a project nor been sued by a partner in their combined 50 years of business.

A site of this scale requires significant access to capital, As such FCGP has engaged with PSP, one of the largest Canadian pension funds with \$135B in assets under management, to participate in this important redevelopment. To date, PSP and PNH have partnered on two ground-up developments with over \$400M of total equity deployed. PSP has provided a letter expressing their interest in working with FCGP on the redevelopment of the Site.

Vision. FCGP believes that the City of Falls Church has a once in a lifetime opportunity to expand the City's existing reputation as a great place to live, work, and play. In order for the City to compete for office tenants with the Rosslyn-Ballston Corridor, Tyson's Corner, Reston, and Downtown DC, the City needs to take advantage of its Metro stations with development that is not only transit and pedestrian oriented but also truly delivers a mixed-use, second-to-none retail and placemaking experience. As PNH demonstrated at the Wharf and FCGP's Principal in Charge, Evan Goldman, demonstrated at Pike&Rose, the right ground floor environment can drive commercial demand and residential absorption. Our team believes that we can deliver a curated, experiential environment that, when layered onto the City's already outstanding quality of life, schools, and small-town charm, will attract potential office tenants to the market. Our proposal for the initial development plan is comprised of:

- A grocery anchored retail mix with a focus on restaurants, entertainment, and neighborhood services centered around the Little City Commons that can serve as a gathering place for the residents and visitors of the City of Falls Church.
- Flexible open space programming for desirable uses such as farmers markets, movie nights on the Little City Commons, outdoor concert series, and other events.
- Several potential locations on site for civic uses to be determined with input from the City and community.
- Site plan that is flexible and can be easily extended to take advantage of potential development on the UVA/Virginia Tech and WMATA parcels.
- A phasing plan that allows FCGP to deliver a sense of place in Phase One. The plan contemplates surrounding the Little City Commons with non-competing use types, which will allow for the creation of a two sided retail experience and fully programmed open spaces upon project delivery.

4.3 EXECUTIVE SUMMARY

- Flexibility on the three remaining future development parcels to allow additional commercial and residential development.
- A shared central parking garage potentially funded through innovative public financing measures to provide the parking needed for civic events, retail, overflow office parking, and the high school.
- Financing plan that creates land value and tax revenues for the city to fund the high school, a special taxing district to help fund infrastructure/parking, and a potential TIF for additional funds as needed.

FCGP believes that the initial plan provided herein creates a compelling combination of a strong mix of uses, tax generation, and placemaking - all of which will benefit the City of Falls Church in the long run. We believe that our combined capabilities create a best-in-class team, with a best-in-class masterplan. Our team's proven reputation for successfully engaging the community, collectively developing a vision for development, and delivering on the promises we make will enable us to maximize the long-term value of the Site for The City. We look forward to working with the City and the community to come up with a plan that expresses our collective vision for the future of the City of Falls Church.

Sincerely,



Evan Goldman
EYA



Shawn Seaman
PN Hoffman



Rafael Muñiz
Regency Centers