MCLEAN PLANNING COMMITTEE MEETING MINUTES Monthly Meeting, May 15, 2019 7:00 PM

McLean Community Center

Call to Order

Approval of minutes Minutes approved.

Treasurer's Report

Checking Account Balance: \$767.42 CD: \$4,062.24

Supervisor's Report

No Update

MRC Report

Roshan Carter

Ben Wiles

- VA Assembly passed law to create incentives for economic development and revitalization zones
- McLean CBC is included
 - o will provide incentives for developers who will assemble within the CBC
 - will provide real estate tax abatement for a period of ten years

New Business

Sunrise Update

- Public urban park in corner of property
- Reached out to McLean Historical Society; synergy between taking care of McLean seniors and history
- Proposing a McLean Heritage Garden that conceptually might be:
 - An inlay in streetscape part of the trolley map part of history of how McLean came to be
 - Include a McLean History Walk along the path that might include:
 - A stone about John McLean; maybe a tabletop / narrative about the placemark to voluntarily celebrate history
 - A covered seating area
 - Use the circle as an easy transition instead of a cut it's a receding feature that's welcoming

Questions/Comments

- Clarified the location
- On the design standards, we have a subcommittee to work with them West McLean should be on it and somebody from the chamber

Winnie Pizzano

Ruthanne Smith

Francesca Gutowski

David Schneider

• Maya will chair the subcommittee

Landowner presentation

See presentation below

Thomas Passarelli

Questions/Comments

- If you limit the height how do you get more FAR?
- If you only have height and leave out FAR? How do you get it done?
 - This wouldn't work at 2 FAR or 3 FAR
 - We look at a plan that wouldn't be bound by FAR but would achieve the community's desired intensity
 - Will have more certain path for developers
 - You're going to simplify the process at the comp plan level
 - It's a matter of getting to the same place with more certainty
- What they've done is they grow overall versus just the concentrated area so density stays the same
- If you limit the height how can you get enough floor space in to make the project worthwhile?
 - Some won't work for particular uses or development plans you'd have to get down to details to see how that would all work
 - We are working on a practical example
 - \circ We're in a height range of 5-7 which is in keeping with character
- Some outer buildings get more FAR- while the ones in the center are lower versus Street Sense which has taller buildings in a very concentrated area
- If you push it down and all the areas have taller buildings where would that open space be?
 - Only way an open space happens is that it's taken by the local jurisdiction
 - It almost never happens that the landowner gives it away
 - The conversation with the landowners is where is the fountain?
- MPC: What would you be willing to live with if you could get approved in 4-5 months? (which is what happens in most of America)
 - Landowner: Proffers being open ended is a problem landowners would like certainty in that universe
- What feedback have you gotten back from the county staff?
 - Haven't received anything official were invited back
 - Director of Zoning is retiring so there may be change
- MPC: Just raising that if there's a serious conversation about form-based development then we need to talk about process change then
- Bottom line a lot of emphasis placed on the circle in the center zone the bonus zone better approach to spread development out get less intensive distribution within CBC
- Will make the presentation that was made to the Task Force

New Business

New Landowner Member: Robby Bishop; owns Madison building (Boone and Sons) and Storage Space

Ken Wiseman - form based code – gave Winnie a PDF of a district that is not quite similar but is sympathetic – give a chance to read and get used to the jargon, the strategies used to deal with form-based code

Old Business

Task Force update

Landowners presented; see below that was also presented at this MPC Meeting

Adjournment

Meeting adjourned

Directors: (attendees in bold)

MCA	SCA	GMCC	CLA
Maya Huber	Andrew Serafin	Nicole Morrill	Ed Murn
Francesca Gutowski	Winnie Pizzano	Ruthanne Smith	Mark McFadden
Rich Salopek	Craig Bennett	Ann Seaman	Robby Bishop
Marilee Pierce	Charlie Bunn	Ken Wiseman	

Alternates

Roshan Carter	Mari Pierce	Molly Peacock
Connie Fan	Hanlan Pasquier	Marshal Hyman
	Kathleen Wysocki Brian Berry	Alan Edward Emily Oveissi

MCLEAN COMMERCIAL LANDOWNERS ASSOCIATION (MCLA)

"McLean has been working to revitalize its downtown for decades. Despite enviable demographics and spending potential, a walkable commercial district with opportunities to gather with neighbors and friends in a public open space has not been realized."

(2018 Vision Plan)

What do the McLean's Commercial Landowners want?

A plan for bringing the community's vision to reality.

The McLean community's vision, as described in the Vision Plan:

Creation of a revitalized, beautiful, walkable McLean, with development limited by height in a way that feathers out to the residential edges in a manner sensitive to context.

What is putting the vision at risk?

- Vision is compelling but doesn't appear to recognize:
 - Economic realities of redevelopment.
 - Context of CBC
 - Need to more broadly encourage revitalization as a catalyst for change.
 - Risk of layering new constraints to redevelopment.

Economics of Development

- Return on Investment
 - Development is a high-risk business
 - What will be approved? WILL it be approved?
 - What will the entitlements cost?
 - Will construction costs change?
 - How long will the process take?
 - Where will the market be when the project can be built?

Economics of Development (cont'd)

- Return and risk are related return must justify risk
- Risk and return are measured against other investments:
 - Return on just owning/leasing existing real estate (lower risk)
 - Non real-estate investments (lower risk)
 - Return in other real estate markets (higher return)

Economics of Development (cont'd)

- Development/redevelopment in today's market require institutional money.
- Institutional capital has many investment options and expects a return commensurate with the risk associated with development/redevelopment.
 - That expected return is generally at least 20%.
- While densities around a 2.0 may sometimes be viable for development in McLean, they will not support redevelopment.

Development vs Redevelopment

- Development is the construction of a new building for office, residential, retail or other uses.
- Redevelopment is the process of tearing down existing structure that is already generating return in order to build something new.
- Recent projects in McLean CBC have been development projects on parking lots, not redevelopment.
- There are very limited additional pure "development" options in the McLean CBC.
- The economics of redevelopment are different the marginal benefit of replacing a performing asset must be weighed against the cost of getting there.
- The economy is good conditions are ripe for redevelopment and it should be encouraged.

Economics of Development Office Rental Example

- Mixed-use redevelopment at a 3.0 FAR in the McLean CBC, with structured parking, before proffers, would require \$48 psf rents to justify the expense.
- The current market rates in the McLean CBC are closer to \$28 psf, and there is vacancy in this market today.
- Broad improvements to the McLean CBC can elevate this market to a boutique/niche market, commanding higher rental rates, but this requires broad change to the existing context.
- The Plan must contemplate sufficient density to support redevelopment or this broad change cannot occur.

Context

- The Plan cannot be too dependent on an expectation of development primarily in the Elm/Beverly area
 - Elm/Beverly area contains large areas of very fractured condo ownership
 - Elm/Beverly area contains multiple newer, taller buildings which are less likely to redevelop
 - Current Vision Plan shows extensive, expensive road improvements in this area, which further burdens the underlying economics



Context (con't)

- Concept of a "bonus" between 7-10 stories ignores the very significant additional cost of construction at this height (cannot be "stick-built")
- Numerous commercial properties other than those around Elm and Beverly are older and less intensively developed.
- Those properties are poised for redevelopment in the near-term, providing the catalyst needed for broad change in the McLean CBC.

The Plan must support revitalization across the CBC.

- The community was presented with, and supported, a vision of broad improvement in the CBC.
- Broader revitalization is a catalyst, the economic fundamentals in McLean will not shift.
- Without this broad change, the CBC does not become truly walkable or accessible to pedestrians from adjoining neighborhoods.

The Plan must support revitalization across the CBC. (cont'd)

- Numerous commercial properties other than those around Elm and Beverly are older and less intensively developed.
- Those properties are poised for redevelopment in the nearterm, providing the catalyst needed for broad change in the McLean CBC.
- This redevelopment can be achieved in a way that retains McLean's low-rise character and the easy accessibility of the retail uses.
- The contemplated "bonus area" will likely be prohibitively expensive to build; the most viable option is to encourage redevelopment over a broader area, but with overall lowerrise structures, consistent with the transect zones.

StreetSense proposed, and the community was presented with, a height-based model:

"Building height is one of the key parameters to determine development potential."

(Vision Plan p. 9)

The height-based transect zone approach works if we do not undermine it

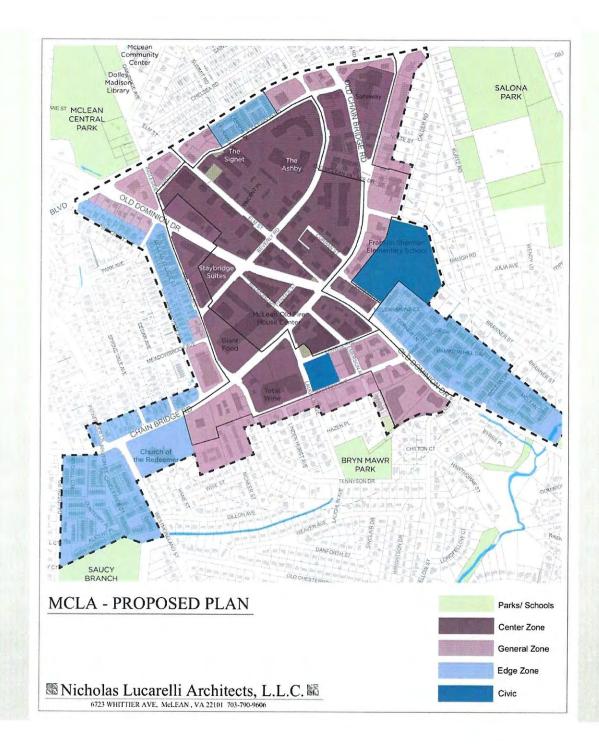
- The Vision Plan, based on building height limitations, was well-received.
- Redevelopment can be appropriately constrained with height restrictions, open space requirements and parking requirements, as well as market demand.
- The transect zone approach, using height to control development, controls both form and function.
- All rezoning development must demonstrate that local infrastructure (roads, schools) can support it.
- Uses should be flexible, and no use should be "discouraged" in any the Center or General zone

Recommendations

- Reduce financial uncertainties associated with entitlement process
- Encourage redevelopment more broadly:
 - Refine and adjust transect zones
 - Flexible uses across zones
- Retain height as the primary parameter of limitation
 - Flexible FAR with defined building heights
 - Recognize underlying economics

MCLA Submissions

- Revised Transect Map
- Revised Vision Plan Organizing Principles and Standards
- Written submission/letter describing recommendations



MCLEAN COMMERCIAL LANDOWNERS ASSOCIATION (MCLA)

Madam Chair and Members of the McLean CBC Task Force:

At your last meeting, the Task Force provided an opportunity for a representative of a significant number of McLean commercial landowners to speak. At that time, the Task Force requested the group of commercial landowners to return with a more detailed presentation of the input and concerns of those landowners. While the group is not as formal as, for example, the Task Force itself, there is a broad consensus around a number of key points. These points are set out below.

- 1 The broad vision of the McLean community which was summarized in the initial Draft Vision Plan is excellent in its broad strokes. It is a vision of a revitalized, walkable McLean, with redevelopment supporting a more vibrant environment with usable, engaging open space, all at a scale and character that is consistent with McLean. This vision created the concept of "transect zones" a series of zones that focused on height and massing of new buildings, with the taller buildings more central to the CBC, and with buildings scaling down appropriately on the outer edges. As this vision was presented in late 2018, many of the commercial landowners were very comfortable with it, and excited about the direction of the process.
- 2 However, as the process has continued to evolve, the commercial landowners share a number of concerns – concerns that this vision will not be able to be achieved. The commercial landowners of the McLean CBC offer the following for your consideration.
- 3 The Center & General Zones, as currently delineated, are geographically too restrictive, and the Edge Zone is misclassified. While we understand that the Streetsense concept includes a re-alignment of the current center of the CBC to the intersection of Elm and Beverly, there are challenges associated with this concept. Overall, this concept does not adequately consider the context of the current built environment. There are large portions of this area under very fragmented condominium ownership, which, due to the difficulties in consolidation, renders redevelopment virtually impossible. In addition, this immediate area contains the Post Office and a number of relatively tall, and, in some cases, recently refurbished office buildings. At the same time, a number of the owners of older, less intensively developed properties along Old Dominion and Chain Bridge have indicated that their properties are poised for redevelopment. These properties are supported by direct access to the main

roads in the CBC, and redevelopment in this area can give McLean a muchneeded "face lift" and serve as a catalyst for broader change. The Center and General Zones should be broader, in order to increase opportunities for revitalization in McLean.

Furthermore, the General and Edge Zones were developed to support an intense Center Zone, thus they need to be adjusted to address the issues stated above. The Edge Zone designated by Streetsense downgrades existing commercial properties to low scale residential within the Commercial Business Direct, which ignores property owners' rights, and eliminates opportunities to replace old and tired commercial buildings with new structures.

- 4 The commercial landowners recommend that the transect zone map should be amended as shown on Exhibit A.
- 4 The height-based model in the Vision Plan works, and offers sufficient incentive for redevelopment. The concept of tiers of height is a good one, and is what the community was presented with in public meetings. However, the more recently discussed "layering" of FAR limitations in addition to these height limits will result in minimal, if any, redevelopment in the CBC. The costs of rezoning and redevelopment are considerable, including the cost of demolition and lost income for a period of years. Structured parking, whether underground or in a podium, is expensive, and it is difficult to support that expense in smaller buildings. Note, too, that rezoned property bears significant proffer costs, as compared to many of the properties in the CBC that are currently "by right" without such proffers. Finally, the Vision Plan contemplates relatively significant new road construction near Elm and Beverly. This kind of investment is generally not supportable at McLean levels of development intensity. The Vision Plan, as it is being modified by the Task Force, simply does not create a scenario where redevelopment will occur. If a landowner can rezone and redevelop a Center Zone site to achieve a 7-story building, with structured parking, subject to the height restriction, open space requirements, and, of course, the rezoning requirement to mitigate the impacts of the development on the roads and other infrastructure – that may happen. If that landowner is told that such development is also limited to a 2.0 FAR or 2.5 FAR – the return simply does not justify the costs and the risk. The rezoning projects in the CBC at intensities of about a 2.0 FAR were feasible largely as these projects were monetizing significant surface parking onsite, and retaining the existing structures and income. Opportunities for such redevelopment in McLean now are extremely limited. McLean can implement its vision using height limits and open space requirements, and development will be limited, as it always is, by the capacity of infrastructure to support it. The rezoning process assures that, and McLean has a number of very engaged citizen groups working in that process. The

recommendations should use height and open space expectations as stated parameters, and then the additional practical parameters of parking requirements (both market and ordinance), market demand and infrastructure capacity will appropriately constrain development while actually permitting good development to happen. The vision of the community is one of broad, positive change, making the McLean CBC a more walkable, inviting place. This vision will create a better "downtown" for McLean residents, a better environment for local businesses to recruit employees, and will ultimately attract the kinds of businesses we would like to see in McLean. A broader base for low-rise development in the CBC, built well and thoughtfully, is what will support the community's vision.

- 5 The financial models provided by Streetsense do not reflect the kind of returns needed for rezoning redevelopment. In the June 4, 2018 Streetsense presentation, one of the slides in the "fictional" case study stated that the fictional developer's "threshold for return" was 7%, which could not be met with a 4-story building with underground parking. While it is certainly true that limiting yield and adding costs lowers the anticipated return, it is critical to understand that real estate investment returns are a function of risk. It may be that a passive real estate investor, buying a pad site with an existing long-term tenant, would look for a 7% return. However, the process of rezoning and redevelopment of a property is much more risky, and the investment community consistently seeks a 20% return - or more - on such projects. The reality in 2019 is that the funds for such redevelopment come from institutional equity whether you are a "developer" or an owner/operator. Development projects simply require that kind of investment. The Streetsense "fictional" case study illustrates this very problem. The notion that currently improved, incomeproducing properties will rezone and redevelop in the CBC at a 2.0 or 2.5 FAR is just not supported by the underlying economics. There are very limited additional opportunities in the McLean CBC for adding development to a surface parking lot or other undeveloped land.
- 6 The notion that absorbing a large amount of market demand in small number of buildings is flawed. The notion that buildings between 7-10 stories will be built (even as a "bonus") does not consider construction costs. "Stick-built" development, which is limited to 5 stories over the parking deck, is much, much cheaper than the type of construction required for taller buildings. While this cost makes sense for a 20-story building, it is much harder to justify for just a couple of additional stories. This cost is exacerbated by the recommended new roads near the intersection of Elm and Beverly. Therefore, this "bonus" is theoretical, and not practical. Conversely, a model that permits buildings up to 7 stories in a broader Center zone is more realistic and achievable. Additionally, the goal of making McLean more inviting, and more walkable, cannot be met if

only a small portion of the CBC is redeveloped. Focusing redevelopment at the intersection of Elm and Beverly, to the exclusion of the rest of the CBC, will essentially shut out three of the four quadrants of the CBC. This is clearly not consistent with the vision presented to the community.

In summary, the recommendations of the Mclean commercial landowners are:

- (1) Stick with the Vision Plan as to the concept of height-based tiers.
- (2) Broaden the Center Zone, and General Zone and redefine the Edge Zone.
- 3) Use height and open space parameters to control development, as a fully adequate and more meaningful proxy for FAR.

The commercial landowners of the McLean CBC are grateful for the opportunity to add our collective experience and expertise to this critical process.

Sincerely,

THE MCLEAN COMMERCIAL LANDOWNERS ASSOCIATION

MCLEAN COMMERCIAL LANDOWNERS ASSOCIATION (MCLA)

The mission of the MCLA is constructive engagement between McLean's commercial landowners, government and the community to produce a comprehensive plan that both meets the shared vision of McLean's residents and provides appropriate incentives to the landowners who will be responsible to execute that vision with their financial investment in new projects and other revitalization efforts.

The MCLA proposes the following changes for the three identified zones in the Fairfax County "Vision Plan: Community Business Center, Mclean, VA", dated December 17, 2018 as follows:

Center

Organizing Principals & Standards:

To create vibrant, mixed-use Center nodes with public meeting spaces as focal points, providing a "downtown" sense of place in the various Center nodes.

- Building Height: Maximum 7 Stories
- Uses: Retail, Office, Mixed Use, Hotel, and Multi Family Residential

CHARACTER: The Center Zone has the greatest building heights and the highest intensity of land uses of the three zones. Development in this zone should take on an urban form with buildings close to the street and parking in structured or underground parking garages. This zone has larger blocks to support larger development and redevelopment activity. Thoroughfares have regular street plantings, generous and continuous sidewalks, and buildings are placed close to street frontages. Additionally, the Center Zone is where a large central park/plaza space for public gatherings and community activities could be provided. Building heights in the Center Zone can range from 7 to10 stories.

Development Standards:

- Minimum individual lot size or assembled properties of 40,000sf
- Minimum Front yard setbacks of 10'
- Minimum rear yard setbacks of 20'
- Zero side yard setbacks.
- Maximum height 50' when a Center Zone property is adjacent to single family detached residences, or fronts a street opposite single family detached residences
- 15% of the gross property area will be landscaped open space

FORM + CHARACTER: Ground-floor height should allow for different types of uses, especially retail. Up to **2 additional stories** permitted for provision of meaningful, creative public space above and beyond the **15%** requirement, with up to **3 additional stories** permitted for provision of public space in excess of **30,000sf** is delivered as part of a Development Plan. Frontage – Buildings in the Center Zone may be set directly on frontage lines, with no requirement for additional setback. This is intended to create meaningful interaction between ground floors of buildings and public spaces along vibrant streets.

General

Organizing Principals & Standards:

An area of somewhat lower density and height, but the feel of arrival into an urban area, so as to create an inviting transition to more dense central downtown area that offers vibrant public spaces within a tree-lined walkable public realm.

- Building Height: Maximum 5 Stories
- Uses: Retail, Office, Mixed Use, Hotel, and Multi Family Residential

CHARACTER: This zone is typified by smaller block sizes. Thoroughfares have regular street plantings, continuous sidewalks, and buildings are placed near street frontages to shape the public realm.

Development Standards:

Minimum individual lot size or assembled properties of 20,000sf

- Minimum Front yard setbacks of 15'
- Minimum rear yard setbacks of 25'
- · Zero side yard setbacks
- Maximum height of **50**' when adjacent to single family detached or attached residences, or fronts a street opposite single family detached residences
- 30% of the gross property area will be landscaped open space

FORM + CHARACTER–Ground-floor height should allow for different types of uses, especially retail. Frontage – Buildings in the General Zone should be placed facing the public realm, but with more generous frontage than the Center Zone. Frontages in this zone will include yards and courts.

Edge

Organizing Principals & Standards:

An area of residential properties within the Community Business District.

• Building Height: 2-3 Stories

CHARACTER: The Edge Zone primarily consists of townhomes with a few single family homes within the CBC. Building heights, land uses, and development intensities remain the same as the existing development except for undeveloped single-family properties that are encouraged to be converted to townhomes to enhance the CBC. Building heights are between 2-3 stories.

FORM + CHARACTER– Existing character and height to remain. Buildings in the Edge Zone will maintain existing setback requirements.

MCLA Development Guidelines

Intro

These MCLA guidelines for the CBC are intended to ensure a higher quality of design excellence. They offer public benefits and incentives to achieve real change in the Mclean CBC. We hope the new comprehensive plan will provide the flexibility and incentives to achieve the most valuable, healthy and lasting developments for Mclean. We believe these guidelines will help ensure the balance between the additional density and height values "given" to the developer and the public amenity "received" for that additional value.

Flexibility

A fundamental principle the MCLA believes will achieve a realistic revitalization of the Mclean CBC is, flexibility. By definition the CBC is a place for businesses so it should be a place that encourages business to grow and thrive while providing the necessary services for its citizens. Allowing for the economics and market forces to drive what type of business a land owner develops and not a rigid County master plan will provide what citizens are looking for and the economic incentives for a landowner to tear down or renovate their property to achieve real change in the CBC.

Public Realm

The goal of redevelopment in the Mclean CBC, is to create the most active, vibrant, beautiful and walkable public realm we can. Through the incentive of density, the MCLA can generate these spaces by dedicating portions of their property for the public realm. Wide sidewalks and plazas, special lighting and paving, large street trees, planting strips and shade trees, ample areas for seating and strolling, fountains, centralized and hidden parking, and an active mix of uses and/or housing types framing the street, plaza or park all help to create a public realm that generates economic value, social inclusion and interaction, and environmental sustainability. All of these elements bring a vibrancy to neighborhoods and benefit everyone in the new developments, adjacent neighborhoods and the entire city of Mclean.

Mixed Use

A mixed-use development will foster pedestrian usage and reduce the number of vehicle trips by combining commercial/retail uses and residential uses in the same buildings or in close vicinity of each other. The interaction of these different uses during day and evening hours provides a dynamic that cannot be created with typical single use zones. This concept harkens back to a village where people lived and worked in close proximity. Mixed use developments contain a complementary mix of uses such as residential, retail, commercial, employment, civic and entertainment uses in close proximity. Compatibility issues are addressed through performance standards, transition tools, careful site layout and building design, rather than by separating uses into single use zones. This concept also tries to reduce dependency upon the automobile, makes pedestrians a focal point, and encourages human interaction, and a vibrant sidewalk environment. Many land use regulations prohibit or inadvertently discourage mixed-use development. This is based on the perceived functional and architectural incompatibility of uses and buildings. Mixed-use development standards are important in urban and rural communities because they can help establish a regulatory framework for sustainable development. Mixed-use development standards can be flexible to promote a mix of uses and building forms.

Live/Work Units

A diverse mix of uses helps to activate streets, promotes more walking and social interaction, and creates greater public safety within communities through more eyes on the street. Live/work units provide the additional benefit of creating opportunities for small, locally owned and locally serving retail and businesses to thrive within neighborhoods. These unit types can also help make housing more affordable for those interested in renting a retail space next to their home.

Architectural Elevations

Visually appealing building exteriors, particularly within the urban context, provide attractive, well-proportioned faces to the public realm of streets, plazas and parks. They increase activity along the street, create pedestrian interest, give scale to open spaces and ultimately provide for greater public safety through eyes on the street. Orienting exterior wall elevations to the pedestrian, through scale, variety of materials that age gracefully, transparency from inside to out, creating a taller, more predominant first floor to all upper floors, activates the public realm and improves our neighborhoods.

Resources:

http://mrsc.org/Home/Explore-Topics/Planning/Development-Types-and-Land-Uses/Mixed-Use.aspx

http://toolkit.valleyblueprint.org/tool/mixed-use-development-standards

https://www.codepublishing.com/WA/Mukilteo/html/Mukilteo17/Mukilteo1725.html

https://montgomeryplanning.org/wp-content/uploads/2018/01/Commercial-Residential-Zone-and-Employment-Guidelines-FOR-WEB.pdf

