

Annandale Commercial Revitalization District Cultural Center

Feasibility Study

Prepared for



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Executive Summary

The Annandale Commercial Business Center (CBC) is the commercial core of one of Fairfax County's established suburban communities. Long the center of commerce for the Annandale community, the CBC demonstrates many of the trademark characteristics of suburban commercial centers – aging strip malls, increasingly obsolete office space, an automobile-oriented road network, and limited public space for civic and community activities.

The Annandale CBC also demonstrates the fairly unique quality of a growing Latino and international business community – featuring a multitude of predominantly Latino and Asian retailers and service providers. With this growth in the number of ethnic groups living, working, and doing business in Annandale, demands for public space in the Annandale CBC to serve the needs of a wide variety of cultural events, community activities, and professional meetings have steadily increased. There is not sufficient public space in Annandale to accommodate this need.

Stemming from the desire to address the need for additional public space and achieve revitalization in Annandale's commercial core, construction of a new Cultural Center has been identified as a community goal. This Cultural Center has been envisioned as a civic gathering place – a focal point for the creation of a sense of place in the Annandale CBC. The Cultural Center is also envisioned as a place where the diverse communities represented by Annandale residents, business, and property owners can share common ground.

This study was commissioned to explore the feasibility of construction of an Annandale Cultural Center. What is the demand for such a center? What are the potential uses and parameters for space planning and site development? What are potential sites for a new cultural center? How can implementation of a cultural center planning process be achieved? Obtaining answers to these questions represents the driving force behind this study.

Project Methodology

To answer these questions regarding cultural center feasibility, this study examines the existing conditions of the Annandale CBC, exploring the demographic, economic, and market support for new development. Based on the results of the demographic, economic, and real estate market review as well as case study analysis of comparable facilities, development parameters were established as guidelines for the cultural center project. In addition, relying on input from the County, property owners, and other stakeholders including the Annandale Revitalization Committee, local real estate brokers, and businesses, criteria were established for the selection and evaluation of potential Cultural Center sites. Based on this evaluation of potential sites, an action plan was developed delineating general implementation guidance as well as site-specific considerations for “next steps” in the Annandale Cultural Center planning process.

Key Findings

What is the demand for such a center?

Based on review of the demographic, economic, and real estate market conditions in the surrounding Annandale community, significant demand for an Annandale Cultural Center exists. The types of programs that the Cultural Center can host, such as cultural events, workforce training, and ESL classes, as well as the meeting and gathering space the Cultural Center can provide, will be of significant benefit to the Annandale community.

A review of real estate market conditions also indicates support for integration of the Cultural Center within a larger mixed use development project featuring residential and/or office space. This type of project offers the opportunity to take advantage of financing and funding opportunities associated with public-private partnerships and the mutual benefits of a spatial connection with other uses, including opportunities for shared parking, shared conference space, office space for cultural center management, and live/work arrangements.

What are the potential uses and parameters for space planning and site development?

The study also identifies specific development parameters for the Annandale Cultural Center. The Cultural Center is envisioned to include approximately 50,000 square feet accommodating office suites for community-based tenants (such as cultural organizations similar to those located currently at Willston Multicultural Center), large multipurpose meeting rooms, and smaller rooms for one-on-one meetings and smaller group activities. The Center should also include a spacious lobby with County presence and exhibit space, storage/locker facilities, administrative space for staff offices, and kitchen facilities to accommodate special events and catering.

The Center is recommended to be built as part of a larger mixed use, pedestrian-friendly project consistent with the planning vision for an Annandale town center. Structured parking to accommodate demand and preserve exterior space for a community gathering place, pedestrian and transit rider access, and attractive landscaping are also included in the development parameters. LEED certification should also be considered – consistent with the County’s recently adopted Green Building Practices Policy Plan objectives.

What are potential sites for a new cultural center?

While Annandale is a dynamic real estate market in which opportunities may arise at any moment and flexibility to respond is key, six sites were identified as possible candidates based on their ability to accommodate the development parameters and their potential to represent near-term implementation options. These sites are identified as the Fairfax County Adult and Child Day Care site, Poplar Street, Trend IV Investment Group, Annandale Center, K Mart, and the Post Office.

The sites were then more closely evaluated for their potential to address Cultural Center objectives, including ability to accommodate the preliminary site development program, geographic centrality within the Annandale core, potential to catalyze additional reinvestment, redevelopment, and/or revitalization in Annandale, and the potential to represent a near-term implementation option.

The analysis of the alternative candidate sites reveals that all six sites offer the possibility of construction of the Annandale Cultural Center; however, each site differs in its range of benefits and drawbacks. While some of the sites represent a potential near-term strategy and offer relative ease of assembly, other sites offer significant economic benefits including potential to catalyze and support additional on- and off-site private development. Some of the sites are located in highly visible, centrally situated locations while others are less ideally located yet are large enough or include zoning provisions that will easily accommodate the desired cultural center development program.

How can implementation of a cultural center planning process be achieved?

The Action Plan delineates implementation strategies, addressing site-specific actions as well as general implementation guidance including the need to obtain County support and identify sources of funding and financing, to continue to pursue all site opportunities as they emerge, to examine the transportation

network, to establish community vision, to identify affordable and/or workforce housing strategies and funding, and to pursue Comprehensive Plan incorporation.

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Chapter 1 Introduction

1.1 Study Purpose

Fairfax County Board of Supervisors has designated five older commercial areas in the County as Commercial Revitalization Districts and two areas as Commercial Revitalization Areas. The County's Commercial Revitalization Program is a public/private partnership approach to improve the economic vitality of older commercial areas by providing specific regulations and administrative procedures to promote the continued viability and redevelopment of these areas.

The Annandale Community Business Center (CBC) is one of these designated Revitalization Districts. It is located approximately 12 miles southwest of Washington, DC and traversed by major regional roadways including Little River Turnpike (Route 236), Columbia Pike (Route 244) and Backlick Road (Route 617) in Fairfax County. The Annandale CBC area is a highly used commercial center characterized by neighborhood- and community-serving shopping centers as well as a variety of freestanding retail and office structures. A number of residential neighborhoods, with housing types ranging from single-family to high-rise multi-family units, are found contiguous to and within the Annandale area.

One of the unique characteristics of Annandale is that the composition of the residential and business community has grown increasingly diverse. Reflective of this growing diversity, a significant number of stores, restaurants, and professional offices owned and operated by Latinos and Koreans currently thrive within the Annandale CBC. The international character of the Annandale CBC has made the intersection of Little River Turnpike and Columbia Pike a destination for shoppers and diners and around the region.

With this growth in the number of ethnic groups living, working, and doing business in Annandale, demands for public space in the Annandale CBC to serve the needs of a wide variety of cultural events, community activities, and professional meetings have steadily increased. There is not sufficient public space in Annandale to accommodate this need. Identification of additional public space to meet community needs is viewed as a strategy to strengthen Annandale's sense of place and create a focal point for civic activity in the heart of Annandale. One of the strategies proposed by the Mason District Supervisor and the Annandale Revitalization Committee to meet the need for additional public space in Annandale and create this civic gathering place is construction of an Annandale Cultural Center.

To explore the potential for construction of a cultural center, a feasibility study was commissioned. The scope of this study was to address the following issues: 1) demand for such a center; 2) potential uses and parameters for space planning; 3) potential sites for a new cultural center; 4) implementation of a cultural center site acquisition and development plan. BBPC Associates (BBPC) was commissioned by Fairfax County to complete this study. This report represents the results of the cultural center feasibility analysis.

1.2 Work Completed

To address the study's scope, BBPC conducted case study evaluations of comparable cultural centers within Fairfax County and in other jurisdictions, examined the existing conditions of the Annandale CBC, explored demographic, economic, and real estate market support, and identified property owner interest in new development and redevelopment. Relying on input from the County, property owners, and other stakeholders including the Annandale Revitalization Committee, local real estate brokers, and businesses, BBPC established a potential development program for the cultural center and accompanying private development and established criteria for the selection of recommended sites. The study culminates with an action plan for implementation, based on an evaluation of the recommended sites, potential cultural

center ownership strategies, preliminary financial analysis, and an identification of potential funding sources.

As part of this study, BBPC completed the following:

- Compiled a review of development in Annandale and a compendium of key issues of concern to the area's revitalization
- Evaluated existing conditions of infrastructure and other public and private improvements, including building stock, within Annandale
- Prepared an overview of demographic, economic, and market conditions in Annandale
- Identified and assessed existing public policies and plans affecting Annandale, including current Comprehensive Plan provisions, zoning regulations, and code enforcement issues
- Conducted interviews with 30 stakeholders, including 17 property owners
- Prepared development parameters for a public-private project, including space planning guidelines and an identification of potential funding and financing strategies for the Cultural Center.
- Selected and evaluated potential sites for the Cultural Center site, based on criteria including ease of acquisition, access and visibility, potential economic benefits, and opportunities for private development
- Developed an implementation plan, delineating "next steps" in the Cultural Center planning process as well as considerations specific to the recommended sites for cultural center development

An overview of the outcomes and recommendations of these analyses is presented in the sections below.

1.3 Support for Cultural Center

A review of demographic and economic conditions within Annandale indicates strong demand for a Cultural Center. From a demographic and economic perspective, the population of the area surrounding the Annandale CBC demonstrates key characteristics indicating significant community benefit from an Annandale Cultural Center. The population of the area within close proximity to the Annandale CBC (residents living within ½ mile of the intersection of Backlick Road and Little River Turnpike and residents of the Annandale Planning District) is projected to increase its senior population significantly over the next ten years. The population of residents between 25 and 34 is also projected to grow – at a rate faster than in the County as whole. Meanwhile, household incomes in the area immediately surrounding the Annandale CBC are lower than household incomes in the Planning District and the County as a whole. Finally, the residents living with ½ mile of the Annandale CBC are significantly more diverse than in the County as whole – with particularly strong representation in the Asian and Hispanic ethnic groups. The population identified as Asian or Pacific Islander alone is particularly more prevalent in the area immediately surrounding the Annandale CBC (26.8 percent) than in the surrounding Planning District and County, as was the Hispanic population (22.7 percent).¹

Given these demographic and economic characteristics, a Cultural Center will likely be of particular benefit to Annandale residents and meet their specific needs. The types of programs that the Cultural Center can host, such as day-time senior activities, workforce training, ESL classes, as well as the meeting space that the Cultural Center can offer, will significantly enhance the Annandale community as well as the County as whole.

¹ ESRI Business Information Solutions. US Census. 2007.

A review of real estate market conditions also sheds light on the opportunities for a cultural center in the Annandale CBC. Demand for office space, as well as the sustained health of the apartment market in Fairfax County combined with a need for workforce and affordable housing, indicate that the Annandale Cultural Center project could be combined with additional private development to become a pedestrian-friendly, mixed use development project contributing to the vision for a new downtown Annandale.

1.4 Development Parameters

The work completed also identified potential parameters for space planning and configuration of the Annandale Cultural Center. Based on the results of the demographic, economic, and market analysis, as well as case study analysis of comparable facilities, development parameters were formulated as guidelines for space programming and operations, site development (land uses, configuration, and design), and ownership, financing, and funding.

The Annandale Cultural Center is envisioned to include office suites for community-based tenants (such as cultural organizations similar to those located currently at Willston Multicultural Center), large multipurpose meeting rooms, and smaller rooms for one-on-one meetings and smaller group activities. The Center should also include a spacious lobby with County presence and exhibit space, storage/locker facilities, administrative space for staff offices, and kitchen facilities to accommodate special events and catering. Based on the case study analysis, it is recommended that the Cultural Center include approximately 50,000 square feet of space.

The Center should also be integrated with a private, mixed-use project to take advantage of financing and funding opportunities associated with public-private partnerships and the mutual benefits of a spatial connection with other uses, particularly opportunities for shared parking, shared conference space, and office space for cultural center management. Structured parking should also be considered to accommodate parking demand and to reserve space on the site for exterior civic gathering spaces, public transit and pedestrian access, and attractive landscaping. A site should be selected near to existing public transit options (bus stops) or convenient pedestrian access points (locations near to Annandale core on pedestrian friendly roadways) to reduce potential parking demand and enhance accommodation for pedestrians and public transit users. A pedestrian friendly orientation (e.g. reduced setbacks, attractive facades) is essential, as well as preservation of exterior space for a focal gathering place, including benches, a plaza, and appropriate flags. LEED certification should also be pursued – consistent with the County’s recently adopted Green Building Practices Policy Plan objectives.

In terms of ownership, financing, and funding, selection of a publicly owned or County-owned site should be considered as a strategy to significantly reduce development costs. Public private partnerships should also be considered to facilitate implementation. The Annandale Cultural Center planning process should consider opportunities for a proffer process by which developers could contribute to the center as part of a private development project. Alternatively, the County should consider opportunities to offer increased density for private development in exchange for construction of the cultural center. Joint ownership should also be considered as part of a mixed use project. This arrangement allows both users to take advantage of common spaces, such as gymnasiums and media centers, at a lower cost than if each space was built in a separate facility. In planning the Annandale Cultural Center, a discussion should take place that identifies center users and possible co-tenants if joint ownership is desired. Exploration of a special tax assessment to pay down the center’s debt and fund daily operations and maintenance should also be considered.

1.5 Site Selection

With development goals established for the proposed Annandale Cultural Center, BBPC – in conjunction with the Annandale Revitalization Committee, the Mason Supervisor, and the Fairfax County Revitalization staff – established criteria for selection of potential sites for the new cultural center.

Site selection included three phases, in which six “finalist” sites were ultimately selected for evaluation as potential locations for the Annandale Cultural Center project. These sites are identified as the Fairfax County Adult and Child Day Care site, Poplar Street, Trend IV Investment Group, Annandale Center, K Mart, and the Post Office.

These sites were selected based on their ability to accommodate the development parameters and their likelihood to achieve relatively near-term implementation. While Annandale is a dynamic real estate market in which opportunities may arise at any moment and flexibility to respond is key, site availability is an essential component of assessing project feasibility. Without knowledge of site availability, there can be no degree of certainty that the cultural center project could actually move forward.

Eligible sites were then more closely evaluated for their potential to address Cultural Center objectives, including ability to accommodate the preliminary site development program, geographic centrality within the Annandale core, potential to catalyze additional reinvestment, redevelopment, and/or revitalization in Annandale, and the potential to represent a near-term implementation option.

The analysis of the alternative candidate sites reveals that all six sites offer potential for construction of the Annandale Cultural Center; however, each site differs in its range of potential benefits and drawbacks. While some of the sites represent a potential near-term strategy and relative ease of assembly, other sites offer significant economic benefits including potential to catalyze and support additional on- and off-site private development. Some of the sites are located in highly visible, centrally situated locations while others are less ideally located yet are large enough or include zoning provisions that will easily accommodate the desired cultural center development program.

“Next steps” in the cultural center planning process should address these relative benefits and drawbacks – clarifying essential aspects of the development process such as the timelines of property owners for sale and/or redevelopment of their property, County support for greater density in cases where higher FARs would be required to make the project feasible, and community support for the alternative locations.

1.6 Action Plan

As identified in the site selection and evaluation process, the cultural center planning process will require additional discussion with the property owners and county representatives to explore site feasibility in greater detail. There are also specific “next steps” in the cultural center planning process that should be pursued regardless of if the specific sites are under consideration. The Action Plan delineates these implementation strategies; addresses site-specific actions as well as general implementation guidance including the need to obtain County support and identify sources of funding and financing to: continue to pursue all site opportunities as they emerge; to examine the transportation network; to establish community vision; to identify affordable and/or workforce housing strategies and funding; and, to pursue a Comprehensive Plan amendment.

1.7 Report Organization

As presented in the sections above, this report is organized into five chapters plus an appendix which provides the results of detailed background analysis into the dynamics and existing conditions of the Annandale community. These chapters and the appendix are organized as follows:

- Chapter 1 Introduction
- Chapter 2 Support for Cultural Center
- Chapter 3 Cultural Center Development Parameters
- Chapter 4 Alternative Site Analysis and Recommendations
- Chapter 5 Action Plan
- Appendix 1 Annandale Development History and Existing Conditions
- Appendix 2 Relevant Public Policies and Plans
- Appendix 3 Demographic and Economic Profile
- Appendix 4 Market Overview
- Appendix 5 Annandale Strengths, Challenges and Opportunities
- Appendix 6 Candidate Site Evaluations
- Appendix 7 Cultural Center Case Studies

Chapter 2 Support for Cultural Center

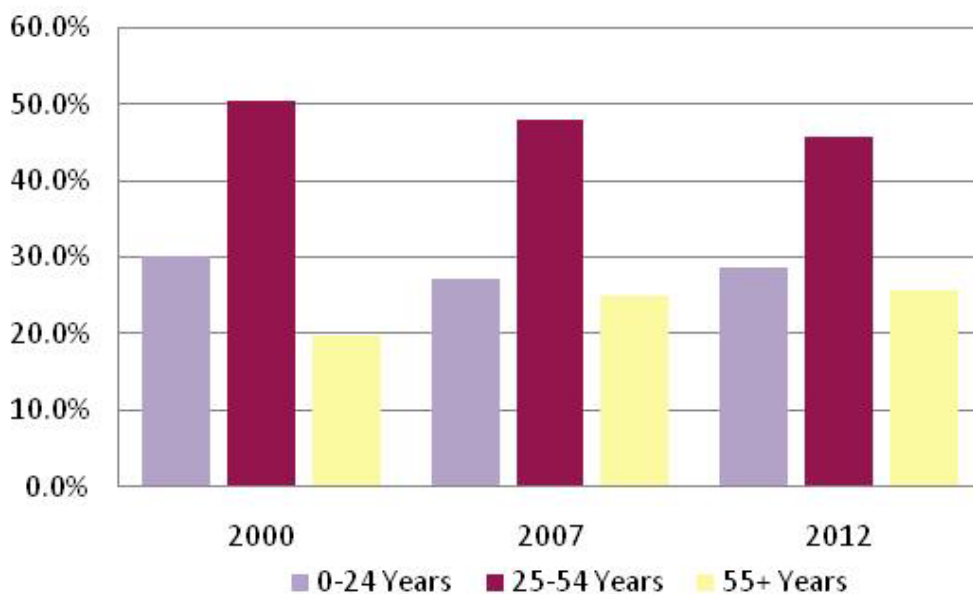
2.1 Overview

A review of demographic and economic conditions within Annandale indicates strong demand for the Cultural Center. This section details demographic characteristics and growth trends in the Annandale study area which demonstrate the need for an Annandale Cultural Center to support the community's residential and business population and activities. This information also provides insight into population dynamics that can guide programming at the Annandale Cultural Center. Evaluation of current conditions in the real estate market also provides support – indicating possibilities to combine construction of a public cultural center with private development in a mixed use project that may present unique opportunities to establish a mutually supportive public private partnership. Detailed demographic, economic, and real estate market profiles are presented in the Appendix.²

2.2 Age Distribution

The distribution of Annandale residents indicates support for a Cultural Center from a variety of age groups. In 2000, approximately 50 percent of the population living within ½ mile from the core of the Annandale CBC (defined as the intersection of Backlick Road and Little River Turnpike) was between the ages of 25 and 54. Projections through 2012 indicate the population is aging, though young families and singles will maintain their presence. As the population ages, and the cohorts over the age of 55 grow, demand will increase for residential products targeted at retirees and seniors. At the Annandale Cultural Center, programming should consider the needs of the growing retiree and senior populations.

Figure 1: Annandale ½ Mile Walking Distance Population Age Cohorts 2000 - 2012



Source: ESRI Business Information Solutions, U.S. Census

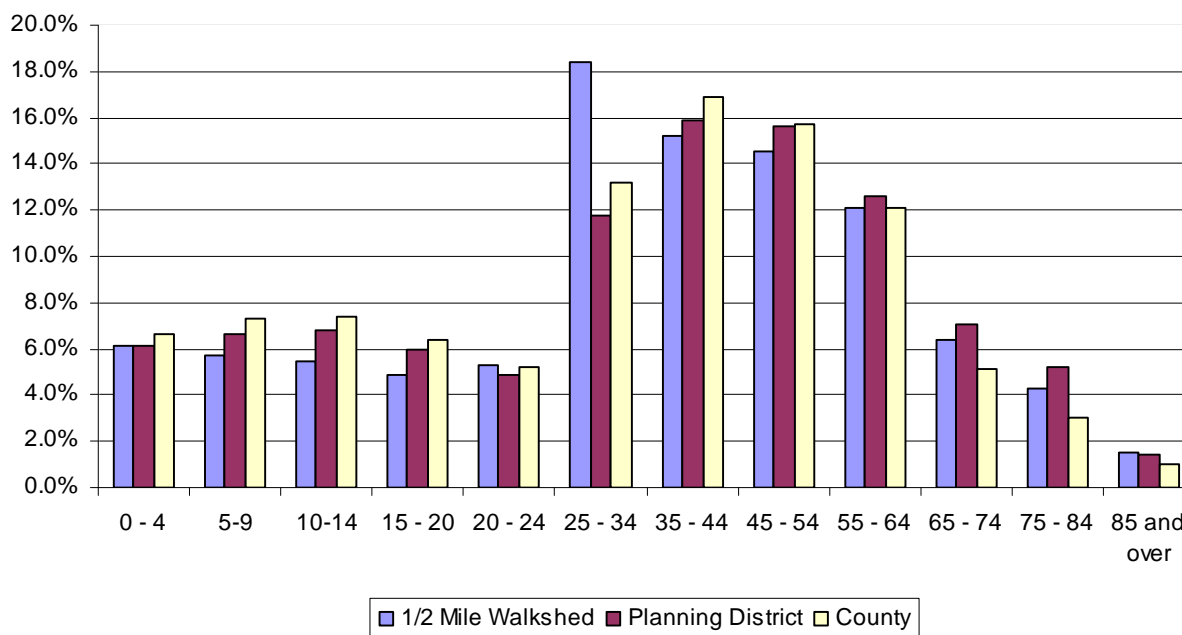
The populations of the Planning District and County exhibit similar age characteristics to those of the ½ mile population. In 2000, the majorities of each population were between the ages of 25 and 54.

² The demographic, economic, and real estate market profiles found in the Appendix were conducted in 2006 and reflect 2006 market data and observations.

Projections through 2012 indicate each population is aging, with growth concentrated in the age cohorts above 55.

In 2007, the population within ½ mile of the Annandale core exhibited a similar age distribution pattern to that of the Planning District and County. Each population was clustered within the age range of 25 to 64. However, the area within a ½ mile radius of the Annandale core exhibited a slightly younger age distribution in 2007 than the other areas. The largest population cohort in the area within a ½ mile radius of the Annandale core was the 25 to 34 group, compared to the 35 to 44 cohorts for the Planning District and the County. The Cultural Center should develop programs targeting not only seniors but also younger age groups seeking community activities and social services.

Figure 2: Comparison of the ½ Mile Population to Surrounding Environs, 2007



Source: ESRI Business Solutions, BBPC

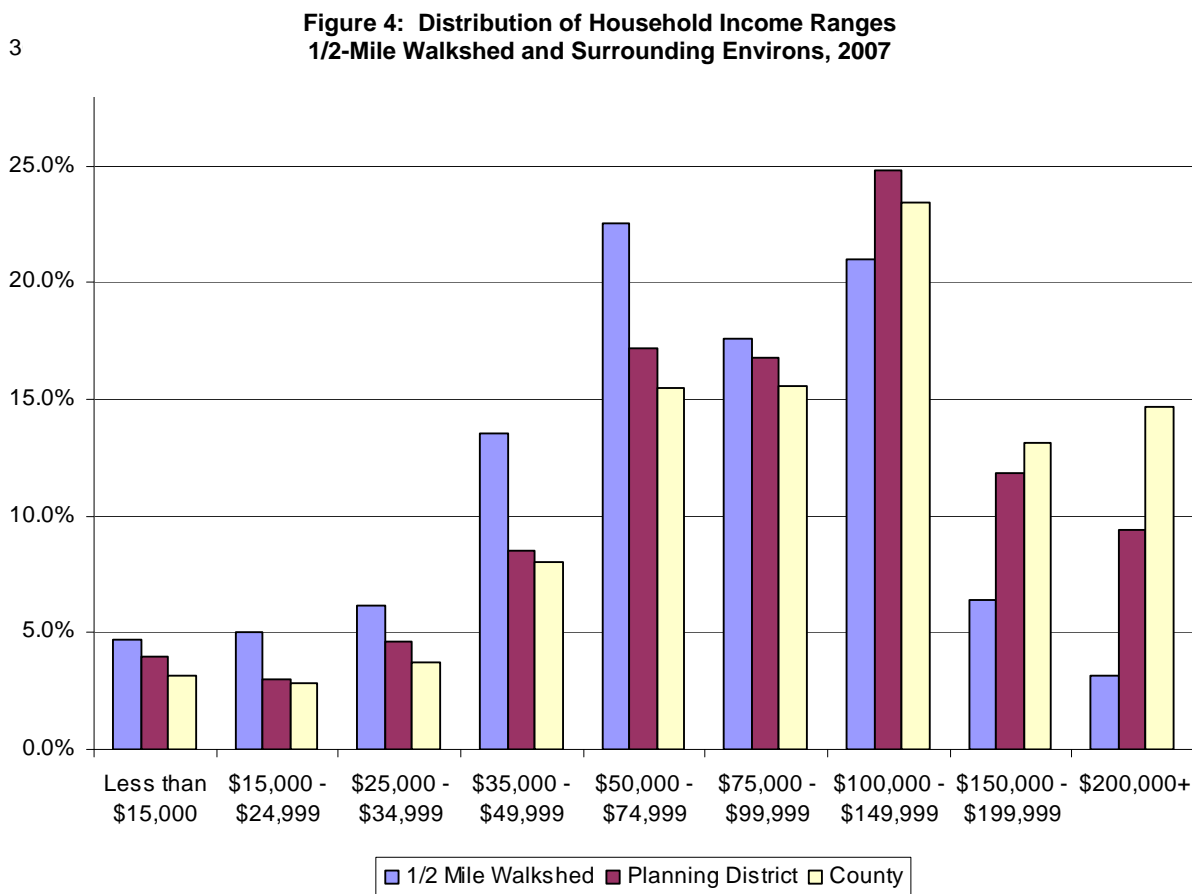
2.3 Household Income

The distribution of household income for residents of Annandale also provides support for construction of a Cultural Center. In 2007, the median household income for residents living within ½ mile of the Annandale core was estimated at \$74,320. This figure is approximately 80% of the median household income within the Planning District and 70% of the median household income within the County. The income distribution for residents within ½ mile is lower than that of surrounding environs. Approximately 20 percent of the populations in the Planning District and County earn above \$150,000, compared to 9.6 percent in within ½ mile of the Annandale core.

	1/2-mile Walkshed	Planning District	Fairfax County
Median Household Income	\$74,320	\$95,890	\$104,509

Source: ESRI Business Solutions, BBPC

As presented in the chart below, the area within ½ mile of the Annandale core demonstrates lower household median incomes than the Planning District and the County. Representation in income ranges less than \$15,000 to \$75,000 is higher in Annandale than in the County as a whole. These income statistics may indicate a greater opportunity to provide households with supplemental activities and a location to obtain services potentially provided by or in partnership with the County, such as adult day care, ESL classes, and workforce training programs.



2.4 Race/Ethnicity

The diversity of the Annandale area is one of the greatest indicators of a need for an Annandale Cultural Center. The population living within ½ mile of the Annandale core contains a more diverse population in terms of race and ethnicity than surrounding environs. In 2007, the population living within ½ mile of the Annandale core had higher proportions of residents classified as Black Alone, Asian or Pacific Islander Alone, Some Other Race Alone, Two or More Races, and Hispanic Origin. The population identified as Asian or Pacific Islander Alone was particularly more prevalent in the ½ mile area (26.8 percent) than in the surrounding Planning District and County, as was the Hispanic population (22.7 percent). The Annandale Revitalization District is a strong location for a cultural center given the diverse population located within ½ mile of the Annandale core.

Figure 5: Race/Ethnicity Annandale Walkshed, Planning District, Region, and County, 2007			
Category	1/2-Mile Population	Planning District	Fairfax County
White Alone	46.7%	61.3%	64.6%
Black Alone	9.9%	5.3%	8.6%
American Indian Alone	0.3%	0.3%	0.3%
Asian or Pacific Islander Alone	26.8%	21.9%	16.1%
Some Other Race Alone	10.3%	7.0%	6.0%
Two or More Races	5.9%	4.4%	4.5%
Hispanic Origin	22.7%	16.9%	14.8%
Source: ESRI Business Solutions, BBPC			

As presented in Figure 5, the Planning District also exhibits a strong degree of cultural diversity. This is reflected in the services provided in other parts of the Planning District. In fact, the Willston Multicultural Center, located in Bailey's Crossroads, leases space to cultural organizations on a permanent basis. Strong demand at the existing multicultural center points to an even greater need for a cultural center to support the Planning District's cultural diversity needs in the future.

2.5 Employment Trends & At-Place Establishments

The composition of employment and business activity in Annandale also highlights the need for public and professional gathering space in a facility such as an Annandale Cultural Center.

In 2007, the study area (defined as the Annandale Commercial Revitalization District) had approximately 579 business establishments with an estimated 3,792 employees. The top three industries by number of establishments represent appropriate business types for a mixed-use, pedestrian-friendly revitalization district: service industries, retail trade businesses, and finance, insurance and real estate businesses (FIRE).

Service industries dominate the area's businesses, with 43 percent falling under this category. Retail trade businesses were the second most prevalent industry type, representing 23 percent of all businesses in the study area. Finance, insurance, and real estate businesses (FIRE) were the third most prevalent business type at 18 percent of all establishments. These three sectors also employed the largest proportions of employees; approximately 1,370 employees worked for service businesses, 1,051 for retail trade businesses, and 675 for finance, insurance, or real estate firms. Figure 6 summarizes business establishments and employment by industry; industries that are appropriate for a mixed-use, pedestrian-friendly revitalization district have been highlighted.

Figure 6: Business Establishments & Employment by Industry
Annandale Revitalization District, 2007

Industry	Study Area Industry Establishments	Share of Study Area Establishments	Study Area Industry Employment	Share of Study Area Employment
Agriculture & Mining	4	0.69%	52	1.37%
Construction	27	4.66%	294	7.75%
Manufacturing	7	1.21%	22	0.58%
Transportation	17	2.94%	121	3.19%
Communication	12	2.07%	40	1.05%
Electric, Gas, Water, Sanitary Services	1	0.17%	3	0.08%
Wholesale Trade	14	2.42%	42	1.11%
Retail Trade	129	22.28%	1,051	27.72%
FIRE*	104	17.96%	675	17.80%
Services	249	43.01%	1,370	36.13%
Government	5	0.86%	121	3.19%
Other	10	1.73%	1	0.03%
Totals	579	100.00%	3,792	100.00%

Source: ESRI Business Solutions: BBPC

*Finance, Insurance, Real Estate

As Figure 6 suggests, for each industry in the Annandale Commercial Revitalization District, employment share is generally approximate to the share of total establishments. For example, the retail trade industry provides 23 percent of all establishments in the study area, and provides just over 27 percent of total employment in the Revitalization District.

The Annandale Commercial Revitalization District, compared to the Annandale Planning District, has greater than expected levels of employment (identified by location quotients above 1.0) in six industry sectors. Figure 7 summarizes employment location quotients for the Annandale Commercial Revitalization District, which are derived from comparing levels of employment in the study area to the broader Planning District. With 1.3 percent of at-place employment, the Communication industry captures nearly three times (2.59) the expected employment given the Planning District's distribution. Retail trade, with 30% of at-place employment, captures 2.06 times the expected employment. FIRE (Finance, Insurance, Real Estate), Transportation and Government also exhibited larger than expected shares of employment.

Figure 7: Industrial Employment Location Quotients
Annandale Revitalization District, 2007

Industry	Study Area Industry Employment	Share of Study Area Employment	Planning District Industry Employment	Planning District Share of Employment	Study Area Location Quotient
Agriculture & Mining	52	1.37%	413	1.79%	0.77
Construction	294	7.75%	1,424	6.18%	1.26
Manufacturing	22	0.58%	1,315	5.70%	0.10
Transportation	121	3.19%	457	1.98%	1.61
Communication	40	1.05%	94	0.41%	2.59
Electric, Gas, Water, Sanitary Services	3	0.08%	404	1.75%	0.05
Wholesale Trade	42	1.11%	449	1.95%	0.57
Retail Trade	1,051	27.72%	3,102	13.46%	2.06
FIRE*	675	17.80%	2,885	12.51%	1.42
Services	1,370	36.13%	12,445	53.98%	0.67
Government	121	3.19%	529	2.29%	1.39
Other	1	0.03%	13	0.06%	0.47
Totals	3,792	100.00%	23,053	100.00%	1.00

Source: BBPC, ESRI Business Solutions

* Finance, Insurance, Real Estate

As presented in this analysis, there is a strong presence of finance, insurance, real estate (FIRE), and communication firms in Annandale. Within the FIRE category, the average firm size is 6.5 employees. Within the communications firm category, the average firm size is 3.4 employees. These small firm sizes are consistent with the character of office space in Annandale – primarily small office suites in low rise or garden style condominium office complexes. The size of office suites, as well as comments by commercial brokers, speak to the need for larger meeting spaces to host business and professional gatherings. The Annandale Cultural Center could fulfill this need by providing conference room and meeting room space for community and professional rental.

2.6 Office Demand

The Annandale office market is a vibrant sub-market within the larger Fairfax County, Northern Virginia, and metropolitan Washington, DC office markets and presents opportunities to integrate office space with the Annandale Cultural Center project.

Figure 8 offers a “snapshot” of the current office market activity to provide an indication of how the Annandale office submarket compares with the broader geographic markets of which it is a part. Total inventory of rentable office space in this submarket was nearly 6 million in 2007, representing 1.8 percent of the total 313 million square feet of rentable office space in the metro area.

Figure 8: Metropolitan Washington, DC Office Markets (Second Quarter 2007)					
Market	Rentable Area (Square Feet)	Direct Vacancy Rate%	Net Absorption YTD (Square Feet)	Total Under Construction (Square Feet)	Average Asking Lease Rate \$ SF/YR Class A
Metropolitan Washington, DC	313,158,485	8.0	3,060,793	13,592,149	\$34.22
Northern Virginia	140,253,894	9.1	342,067	6,381,992	\$31.47
Total Fairfax County	83,988,002	8.6	346,267	4,157,810	\$30.10
Annandale/Falls Church/I-395	5,835,736	8.6	(191)	0	\$29.40

Source: GVA Advantis: Washington, DC Metropolitan Area Market Review: Office

The vacancy rate in the Annandale submarket is lower than in Northern Virginia as a whole on par with Fairfax County, suggesting slightly stronger demand for space in this submarket than other Northern Virginia submarkets. This submarket also offers a more competitive average lease rate per square foot for Class A space than the broader geographic area markets, which may offer the Annandale submarket an opportunity to capture tenants seeking more affordable space than available in other submarkets.

Major employers in Annandale include Northern Virginia Community College, Securitas Group, U.S. Investigations Service, Contemporary Nursing Solutions, Anteon, Federal Management Systems, and LT Services. Several of these major employers are federal government contractors.

The Annandale commercial condominium submarket remained one of the strongest in sales through the first half of 2007. As of mid-year 2007, the Fairfax County Economic Development Authority reported Annandale as the county's third strongest submarket for office condominium sales. Annandale contributed to 14 percent of the total countywide condominium sales. Favorable interest rates, conversions of older office spaces to condominiums, and sustained condominium construction contributed to the growth in sales activity. However, it is anticipated that County wide the commercial condominium market will experience a downturn as a result of lack of available existing inventory in conjunction with a dramatic decrease in new development.

Recent and projected trends in regional and immediate office market areas surrounding the Annandale Commercial Revitalization District indicate potential to include office space as a component of the Annandale Cultural Center project. Low vacancy rates indicate strong demand for office space in Annandale. The presence of several federal government contractors presents potential to secure a lease deal from a highly desirable and stable tenant likely looking for Class A space and willing to pay Class A rents.

The integration of office space into the Annandale Cultural Center presents opportunities to create a unique public-private partnership. Depending on the development deal and ownership arrangement, the rental income from office leases could be used to subsidize cultural center operation costs. Incorporation of office space also provides opportunities to formulate shared parking strategies – in which a portion of complexes parking spaces are used by office users during the day and cultural center users in the evening. The presence of an on-site cultural center may also be highly appealing to certain office users who would market their location within a cultural center complex as a mark of strong community relations and community connections to employees and clients. In addition, the cultural center management offices

could be located within the office space portion of the complex – providing a stable anchor tenant for the office space and freeing space in the cultural center portion of the complex for additional programming and community/cultural activities. Finally, the Cultural Center’s conference and meeting rooms could be shared with the office space – providing a unique amenity for small office users who do not need meeting space within their own suite but would appreciate access to conference rooms for meetings with external clients and visitors on an occasional basis.

2.7 Residential Demand

In addition to demand for office space, the Annandale Cultural Center may also be supported by integration of a residential component.

Over the past several years, despite a marked downturn led by the dampened condominium market, the apartment market in Metropolitan Washington, DC has maintained its position as the strongest in the nation. According to Delta Associates, the Metropolitan Washington DC apartment market as of year-end 2006 had the highest occupancy rates, absorption levels, investor returns, and investment sales of any market in the nation. The vacancy rate for Class A and B Apartments was 2.7 percent in mid-year 2006, one of the lowest in the nation. However, net absorption, at 727 Class A and B apartments over the past 12 months, remains near the lowest pace seen since the early 1990s. Rent increases dipped to 0.5% since September 2006 for all investment grade product. Nevertheless, Class A absorption held up well at 3,865 units – 2nd in the U.S.

Factors that contribute to a sustained strong apartment market in Metropolitan Washington DC include regional job growth, barriers to new construction, and conversions of apartments to condominiums. Over the next three years, job growth is projected to remain above average, with the local economy creating on average 57,600 jobs per annum.³ Supply of apartments to house these workers has been constrained by high barriers to new development, including high land costs, and condominium conversions. Demand for rentals has been spurred by high sales prices for owner-occupied housing units and potential buyer unease concerning future prices of condominiums. These factors have prompted many would-be condominium owners and first-time homebuyers to rent apartments rather than buy.

Consistent with this sustained health of the apartment market, rents have increased for apartments in Fairfax County, which has an estimated inventory of 62,156 rental units.⁴ According to the Northern Virginia Association of Realtors, as of the third quarter of 2007 rents fell slightly in two of the three dominant apartment types in the County. Rents rose in high-rise properties (9+ floors), with the 2007 average rent of \$1,699 over 9 percent higher than 2006’s \$1,555.

Figure 9: Fairfax County Multifamily Rental Market (2006 - 2007)

Housing Type	Average Monthly Rental Rate (2007)	Average Monthly Rental Rate (2006)	Rent Change Over Prior Year
Garden-Style (1-4 stories)	\$1,425	\$1,427	-0.1%
Mid-Rise (5-8 stories)	\$1,931	\$1,940	-0.5%
High-Rise (9+ stories)	\$1,699	\$1,555	+9.3%

Source: Northern Virginia Association of Realtors

³ *Trendlines2007*. Delta Associates.

⁴ *2006 Rental Housing Complex Census Analysis*, Fairfax County Department of Systems Management for Human Services.

Demand for apartments in Annandale is consistent with the strength of the regional market. As employment grows in the Annandale submarket, Fairfax County, Northern Virginia, and the greater metropolitan Washington, DC region, new households will provide demand for apartment units in Annandale. With residents between the ages of 25 and 34 as its largest cohort, Annandale should experience apartment demand driven by young professionals that prefer to rent rather than buy.

In the most recent Fairfax County Rental Housing Complex Census Analysis (2006), the average monthly apartment rent in Annandale was \$1,220, or 97 percent of the county average (\$1,260).⁵

Figure 10: Fairfax County Average Monthly Apartment Rent By Planning District (2006)

Planning District	Average Monthly Rent	% of County Average
Annandale	\$1,220	97%
Baileys	\$1,091	87%
Bull Run	\$1,243	99%
Fairfax	\$1,376	109%
Jefferson	\$1,183	94%
Lincolnia	\$1,178	93%
Lower Potomac	\$1,102	87%
McLean	\$1,545	123%
Mount Vernon	\$1,092	87%
Pohick	\$1,330	106%
Rose Hill	\$1,334	106%
Springfield	1,206	96%
Upper Potomac	\$1,349	107%
Vienna	\$1,395	111%
County Average	\$1,260	100%

Notes: Figures include units located in major rental housing projects having five or more units. Average monthly rent figures are calculated only on complexes that are not subsidized.

Given the median household income for the area within ½ mile of the Annandale core (defined as the intersection of Backlick Road and Little River Turnpike), creation of additional affordable housing and workforce housing may be a particularly relevant need and opportunity for integration with the cultural center.

The preservation of affordable housing units is an ongoing concern and area of focus for the County and the Board of Supervisors. The Fairfax County Board of Supervisors established the Affordable Housing Partnership Program in order to provide sources of financing for the development and preservation of affordable homeownership and rental housing units for nonprofits and other organizations who are actively engaged in housing development. Development of residential units within the Annandale Cultural Center complex may present an opportunity to expand the county’s stock of affordable units above and beyond the allotment required by County ordinance. As part of this effort, the Fairfax County Redevelopment and Housing Authority and HUD just bought Wedgewood Manor - a 672 unit multifamily complex on Route 236 – for the preservation of affordable housing.

As with integration of office space, the integration of apartments into the Annandale Cultural presents opportunities to create a unique public-private partnership. Residential development will allow creation

⁵ 2006 Rental Housing Complex Census Analysis, Fairfax County Department of Systems Management for Human Services

of a desirable mixed-use environment offering the opportunity for cultural center employees and users to live near employment and cultural/community amenities. Residential development also provides opportunities for shared parking arrangements in which a portion of the facility parking spaces may be used by residents during the night hours and cultural center and office space users during the day. Creation of affordable and workforce units presents a particularly unique opportunity for synergy, as residents in these units may find cultural center activities and programs of particular use and interest.

2.8 Summary Conclusions

Evaluation of demographic and economic conditions in Annandale provides strong support for construction of an Annandale Cultural Center.

The Annandale population is forecasted to include a strong cohort of seniors. Annandale is also anticipated to include a relatively high number of young adults. Both of these age groups will benefit from cultural center programs and activities.

Annandale residents also demonstrate socioeconomic characteristics – particularly median household income lower than the County and Planning District – that may indicate an opportunity to offer services. Sponsored by or in part by the County, services provided at the Cultural Center may be of particular relevance and importance to the Annandale community.

Finally, the Annandale residential population is more ethnically and racially diverse than the County as a whole – highlighting the initial interest and demand for public space to serve the unique cultural and community gathering needs of the Annandale community. Sufficient public space is not currently available to accommodate the wide ranging and frequent requests for meeting space.

In addition to strong support from demographic and economic factors, real estate market conditions – particularly in the office and residential sector – indicate opportunities to integrate private office and/or residential development into the Annandale Cultural Center complex and create a unique public-private partnership.

Demand for office space provides an opportunity to include an office component in the Annandale Cultural Center. Users of the cultural center as well as the office space would benefit from the spatial connection, such as opportunities for shared parking, shared conference space, and office space for cultural center management which would free up space in the cultural center for additional programming. Rents from the office space may also present an opportunity to subsidize cultural center operations – depending on the terms of the development deal and ownership arrangement.

There may also be an opportunity to incorporate residential development – in the form of market rate, affordable, and workforce housing apartments and studios. Residential development would advance the planning vision for Annandale – creation of a vibrant, mixed use town center in the Annandale CBC – and augment the potential for the Annandale Cultural Center complex to become a hub of activity for living, work, and play.

Chapter 3 Cultural Center Development Program Parameters

3.1 Overview

The review of demographic, economic, and market conditions in the Annandale study area provides an understanding of the support for a new Annandale Cultural Center. This chapter offers parameters for development of such a cultural center, addressing issues such as size, uses, configuration, and design. The Annandale Cultural Center is envisioned as a “bridge” between the multiple cultures represented in the Annandale community, providing an opportunity for members of the residential and business community to come together and share common ground. The Cultural Center also holds the potential to serve as the basis for a public-private development project that will catalyze reinvestment and improve the area’s economic vitality. The development parameters proposed in this chapter reflect these goals and respond to the needs of the community. Case studies were conducted of comparable projects to guide the preparation of these development parameters.

3.2 Case Studies

Four case studies were conducted to provide guidance for development of parameters for the Annandale Cultural Center design, function, and configuration. These case studies were selected based on a number of factors that showed similarities to proposed components of the Annandale Cultural Center, including but not limited to:

- Public ownership;
- Public meeting/gathering space;
- Cultural programming space;
- On-site parking;
- Pedestrian access;
- Location in Metropolitan Washington DC;
- Adjacency/integration with redevelopment project(s);
- Design innovations;
- Funding innovations;
- Public-private partnerships.

Each center selected contains some, but not all, of the components described above. The centers selected for study area are as following

- Willston Multicultural Center (Fairfax, VA)
- Reston Community Center (Fairfax, VA)
- Langston-Brown Community Center (Arlington, VA)
- Woolly-Mammoth Theater (Washington, DC)

The appendix provides detailed profiles of the case study centers. The section below provides an overview of the centers.

Willston Multicultural Center

The Willston Multicultural Center occupies the Willston School, a three-level, 1950s-era, rehabilitated school in Bailey’s Crossroads approximately 35,000 square feet in size. Fairfax County’s Multicultural

Center was originally located at the Whittier School. In the 1990s, the Multicultural Center moved from the Whittier School to Willston, a County-controlled former school.

The facility features three floors of classrooms that serve various uses. On the first floor, classrooms are rented to non-profit community groups which primarily serve the Korean and Vietnamese communities. These groups offer, among other activities, courses in calligraphy, vocational training, and English. Resettlement and immigration services are also offered in first-floor classrooms. The Fairfax County Public Schools Adult English as a Second Language program occupies the second floor classrooms. Fairfax County Department of Recreation operates the grant-funded computer clubhouse program in the school's basement. The basement is also used for children's after school and summer programs. As of 2006, the facility's classrooms available for rent were fully leased to community nonprofit groups. According to the Director, the demand for rentable space exceeds the school's supply of classrooms. Parking at the facility is limited to 25 spots. Many of the center's users arrive via bus.

It is similar to the proposed Annandale Cultural Center in that it leases space to ethnically-oriented community groups; owned and operated by Fairfax County; and is located within a revitalization area.

Reston Community Center

The Reston Community Center operates from two facilities – RCC Hunters Woods and RCC Lake Anne. The Hunters Woods facility is a 50,000 square foot facility featuring an indoor swimming complex, CenterStage (a 290-seat theater), a photo lab, computer lab, woodshop, stained glass workshop, and meeting rooms. The Lake Anne facility includes a multipurpose room used primarily as an art gallery, a ceramics lab, and general meeting rooms. The Hunters Woods facility shares parking with the adjacent traditional shopping center, which is anchored by a Safeway grocery store and was redeveloped in the 1990s.

The Hunters Woods facility caters to a variety of programs within its 50,000 square feet, including: aquatics, community events, computer training, crafts, fitness and exercise, dramatic arts, photography, and English as a Second Language. None of the spaces are available for long-term lease, but meeting rooms are available for short-term meetings, receptions and parties on a rental basis. Hourly rents range from \$6-\$60, depending upon meeting room size and whether or not the renter is a local resident.

The Reston Community Center is operated by 48 staff, including an Executive Director, 13 administrative staff members, 4 aquatics staff, 4 finance staff, 4 maintenance staff, 6 performing and fine arts staff, and 16 general programs and community events staff. The facility is owned by the Fairfax County agency which shares its name, the Reston Community Center, and is governed by a nine-member Board of Governors appointed by the Fairfax County Board of Supervisors after residents express their preferences in an annual poll. The Board of Governors oversees the fiscal operation of the center and its programs, establishes center policy, and offers public outreach regarding program balance. Funding for operations and maintenance of the facility is derived from tax revenues within Small Tax District 5, a special assessment district in which the tax rate is \$0.047 per \$100 of assessed property value.

Fairfax County built the Hunters Woods facility in 1979. Capital costs totaled \$2.2 million, and were paid for with a county bond issue that was repaid through the small district tax assessment. In 2004, the reception area was renovated.

It is similar to the proposed Annandale Cultural Center in that it provides spaces similar to those proposed for the Annandale Cultural Center, including meeting rooms and performing and visual arts spaces; it is located proximate to a mix of uses, including residential and retail uses; it utilizes innovative parking and financing techniques that could be suitable in Annandale.

Langston-Brown Community Center

The Langston-Brown Community Center occupies a three-level, 50,000 square foot facility that combines space for community recreation with continuing education. The facility features classrooms, a gym, fitness center, media center, multipurpose room with billiards tables, dance studios, a kitchen, an art center, and a recreation/technology room.

Arlington County utilized a 2.4 acre county-owned site as the location for the Langston-Brown Community Center. An older, 23,000 square foot community center was demolished to make room for the center. Project costs, including demolition, site work, and construction of the new building, totaled \$7.5 million, or approximately \$150 per square foot. Built to LEED certification, the building cost about 10% more than it would have without the environmentally sustainable features. According to the center's architect, the higher upfront costs were outweighed by long-term operations savings, which are approximately \$10,000 annually due to minimized water and energy usage.

The site features two children's play areas, a tennis court, a half-court basketball/play area, and a community picnic pavilion. Adjoining uses include commercial establishments, a fire station, an older established single family residential community and a townhouse community. The center features limited on site surface parking lots with islands, shade trees and shrubs.

Programs within the facility are divided among three users: Arlington Public Schools, which offers the Langston High School Continuation Program; Arlington County Department of Parks and Recreation, which provides recreation programs; and Head Start, which provides the Arlington Community Action Program.

The community center is jointly owned by Arlington County and Arlington Public Schools. Operations and maintenance are funded through the general budgets of the center users.

It is similar to the proposed Annandale Cultural Center in that it the space mix includes classrooms and common recreation areas; and built to LEED certification, the Langston-Brown Community Center is a model in green building that could be a construction alternative for the Annandale Cultural Center. The center is also publicly owned and operated.

Woolly Mammoth Theatre

The Woolly Mammoth Theatre Company occupies the 35,000 square foot basement level of the Jefferson at Penn Quarter, a ten-story, mixed use complex which includes 35,000 square feet of ground level retail, 428 luxury condominiums, and a 450-space structured parking garage. Built in 2005, the Theatre Company space includes a 265-seat theater, a large lobby with cafes and a box office, storage rooms and offices for theatre company staff.

The project site for the Jefferson at Penn Quarter consisted of an entire city block owned by the General Services Administration (GSA), which was consequently sold to developer JPI after a request for proposals process. JPI's plans called for the preservation of the facades of existing historic buildings, and the construction of the ten-story mixed use complex behind the facades.

For the theater, JPI donated the shell of the basement space, valued at \$4.5 million, to the Woolly Mammoth Theatre Company prior to fit out (the GSA required that the project include an arts use as part of the request for proposals process). The Theatre Company used \$7.5 million in private donations and grants to pay for the design and construction of the theater within this shell.

The nonprofit Theatre Company is staffed by 18 professionals in artistic, production, administrative, marketing, development, and education capacities, and governed by a 30-member Board of Directors. Operations and maintenance are funded through grants, donations, and theater proceeds.

It is similar to the proposed Annandale Cultural Center in that it was developed within an area targeted for redevelopment and revitalization and was created as part of a mixed use development, which may be a feasible option for the Annandale Cultural Center's development.

3.3 Case Study Lessons Learned

When considered in association with the overarching goals of the proposed Annandale cultural Center, the case studies provide key direction for development parameters.

Programming and Operations

- The Willston center provides space for Fairfax County's English as a Second Language program and Computer Clubhouse. Space planning for the Annandale Cultural Center should consider whether or not these types of County services and programs will be incorporated into the center, and if so, the space needs of these users.
- The Willston Multicultural Center also reserves classroom space for rental as permanent cultural organization office space. Given the overwhelming demand for this type of space, as well as the future possibility that these organizations will need a new home given redevelopment pressure in Bailey's Crossroads, the Annandale Cultural Center should consider including office space rental for community-based tenants.
- The Langston-Brown Center features classrooms, a gym, fitness center, media center, multipurpose room with billiards tables, dance studios, a kitchen, an art center, and a recreation/technology room. All of these activities could serve to meet the diverse cultural needs and interests of the Annandale community and represent potential options for space programming at the Annandale Cultural Center.
- The Reston Community Center is a dynamic center serving multiple groups and interests, from young children to senior citizens with interests ranging from performing arts to sports and recreation. As such, the center requires a paid staff of 47, a much higher amount than the two staff members at the Willston Multicultural Center. One of the first steps following this feasibility study should be a community-based planning process for the Annandale Cultural Center in which the community holds discussion and decides what activities and functions the center will provide, along with an estimation of staff needs to provide these services.

Uses, Configuration, and Design

- Three of the centers (Reston Community Center, Langston Brown, and Woolly Mammoth), are relatively close in size, ranging from 35,000 to 50,000 square feet of program and administrative space. Given the diversity of uses and programming needs at Reston Community Center and Langston Brown, 50,000 square feet should be ample space to accommodate the Annandale Cultural Center.

- Parking at the Willston Multicultural Center is limited in comparison with demand. Meanwhile, many of the Willston users arrive by bus. Parking is also limited at the Langston-Brown Community Center.
- Located next to senior housing and a shopping center, the Reston Community Center has taken advantage of a captive audience for its activities and services as well as an opportunity for shared parking.
- Accommodation for multimodal transportation should be incorporated into the Annandale Cultural Center's site design, including provision for ample parking, arrival by pedestrians, and bus drop off points. Planning for the Annandale Cultural Center should consider the demand and need for parking as well as parking demand management opportunities. If the Annandale Cultural Center is located near an existing shopping center, or near a future development, the desirability of and opportunities for shared parking as should be evaluated. Particularly if the cultural center is incorporated into a mixed-use project including residential and or office space, construction of structured parking should also be considered as a strategy to meeting parking demand. Selection of a site near to existing public transit options (bus stops) or convenient pedestrian access points (locations near to Annandale core on pedestrian friendly roadways) may be another strategy to reduce potential parking demand and enhance accommodation for pedestrians and public transit users.
- The common needs of Willston tenants, including extra electrical outlets, assistance with deliveries, and extra space for meetings should be taken into account when planning the design of the Annandale Cultural Center. The new center could offer multipurpose meeting facilities, double doors, ramps and pushcarts to accommodate deliveries, and feature wiring and outlets for technology;
- With a LEED certified silver rating, the Langston-Brown Community Center is a living green education facility. During the Annandale Cultural Center planning process, a discussion should take place regarding whether or not green certification or green elements are options that should be pursued for the center. The discussion should weigh the higher upfront costs of construction with reduced annual operating costs and community benefits of green building.
- The development of the Woolly Mammoth Theatre space in the Jefferson at Penn Quarter provides a model example of integrating a cultural center as part of mixed use development, in which the center is physically and functionally linked to the development's residential and retail components. In planning for the Annandale Cultural Center, the feasibility of incorporating the center into a mixed use development should be addressed.

Ownership, Financing, and Funding

- The Reston Community Center utilizes an innovative financing mechanism, the special tax assessment district, to pay down the center's debt and fund daily operations and maintenance. Issues associated with the use of special tax assessments should be discussed in the Annandale Cultural Center planning process if this financing option is considered. Potential issues include: financial impact on area residents and/or businesses; which entities (residents and/or businesses) should become subject to the tax assessment; which entities will benefit from the center; and geographic extent of the assessment district.

- With both Arlington County and Arlington Public Schools occupying space in the center, the Langston-Brown Community Center is a model for joint ownership of a community facility. This arrangement allows both users to take advantage of common spaces, such as gymnasiums and media centers, at a lower cost than if each space was built in a separate facility. In planning the Annandale Cultural Center, a discussion should take place that identifies center users and possible co-tenants if joint ownership is desired.
- The Langston-Brown Community Center was built at a significantly reduced total cost since it was built on an already county-owned site rather than an acquired parcel from the private sector. In the Annandale Revitalization District, Fairfax County owns an adult and child daycare facility. Plans for the Annandale Cultural Center should consider the feasibility of utilizing this site for the location of the new center, and if this site is feasible, investigate co-tenancy options between the Cultural Center, adult/child daycare facility, and fire station.
- In the Woolly-Mammoth project, the donated theater space in part resulted from a public-private partnership between the developer and the General Service Administration, which required that the development include an arts use as part of the property sale. The Annandale Cultural Center planning process should consider opportunities for a proffer process by which developers could contribute to the center through a public-private partnership.

3.4 Development Parameter Recommendations

Based on the findings of the case studies, as well as the overarching goals for the Annandale Cultural Center, several development parameters are recommended.

Space Programming and Operations

- Office suites for community-based office tenants, such as the cultural organizations similar to those located currently at Willston Multicultural Center.
- Large multipurpose meeting rooms, which can be partitioned and arranged to serve many uses:
 - gathering spaces for cultural events such as parties, dances, and organizational meetings
 - classroom-style training space for county services such as English as a Second Language
 - computer labs for workforce training and education
 - space oriented toward more active uses and training activities such as dance classes, martial arts, etc.
- Smaller rooms for one-on-one meetings and smaller group activities
- Spacious lobby with County presence and exhibit space
- Storage/locker facilities
- Administrative space for staff offices
- Kitchen facilities

Uses, Configuration, and Design (Site Development Program)

- Maximum of 50,000 square feet of space for cultural center programming and administrative space
- Integration with private, mixed-use project to take advantage of financing and funding opportunities associated with public-private partnerships and the mutual benefits of a spatial connection with other uses. These opportunities may include shared parking, shared conference space, office space for cultural center management freeing up space in the cultural center for additional programming. Integration with a private, mixed-use project would also contribute to

creation of a vibrant, mixed use town center in the Annandale CBC - augmenting the potential for the Annandale Cultural Center complex to become a hub of community activity.

- Structured parking to accommodate parking demand and to reserve space on the site for exterior civic gathering spaces, public transit and pedestrian access, and attractive landscaping
- Bus-friendly elements, such as drop-off bus bays or short-term bus parking
- Pedestrian friendly orientation (reduced setbacks, attractive facades)
- Exterior focal gathering place, including benches, plaza, appropriate flags
- Selection of a site near to existing public transit options (bus stops) or convenient pedestrian access points (locations near to Annandale core on pedestrian friendly roadways) to reduce potential parking demand and enhance accommodation for pedestrians and public transit users
- Consideration of pursuit of LEED certification – acknowledging the higher upfront costs of construction with reduced annual operating costs and community benefits of green building. The County recently updated the Comprehensive Plan to outline Green Building Practices Policy Plan objectives, including encouraging commitments to implementation of LEED Certification. LEED certification could also make the Annandale Cultural Center a centerpiece for the county’s commitment to responsible environmental construction and practices.
- Approximately two acres for cultural center, additional private mixed use development, and parking

Ownership, Financing, and Funding

- Consideration of publicly owned or county-owned site to reduce land acquisition costs. Plans for the Annandale Cultural Center should consider the feasibility of utilizing Annandale’s Adult and Child Day Care Center site for the location of the new center, and if this site is feasible, investigate co-tenancy options between the Cultural Center and adult/child daycare facility.
- Consideration of a public-private partnership. The Annandale Cultural Center planning process should consider opportunities for a proffer process by which developers could contribute to the center as part of a private development project.
- Alternatively, the County should consider opportunities to offer increased density for private development in exchange for construction of the cultural center.
- Joint ownership should also be considered as part of a mixed use project. This arrangement allows both users to take advantage of common spaces, such as gymnasiums and media centers, at a lower cost than if each space was built in a separate facility. In planning the Annandale Cultural Center, a discussion should take place that identifies center users and possible co-tenants if joint ownership is desired.
- Exploration of a special tax assessment to to pay down the center’s debt and fund daily operations and maintenance. Issues associated with the use of special tax assessments should be discussed in the Annandale Cultural Center planning process if this financing option is considered. Potential issues include: financial impact on area residents and/or businesses; which entities (residents and/or businesses) should become subject to the tax assessment; which entities will benefit from the center; and geographic extent of the assessment district.

Chapter 4 Site Selection

4.1 Overview

The process of identifying potential sites for the Annandale Cultural Center involved consideration of several factors, including input from and collaboration with the County staff and the Annandale Revitalization Committee, outreach to property and business owners, and evaluation of sites against specific site selection criteria. This chapter outlines the process by which sites were evaluated and provides recommendations for consideration of six potential sites.

4.2 Site Selection Process

The selection process for identification of potential sites for the Annandale Cultural Center involved three distinct phases.

First Phase

The first phase of the selection process was to identify sites, or focus areas, which could accommodate the preliminary site development program (established by the development parameters provided in Chapter 3) and meet the overarching goals of the Annandale Cultural Center. These goals are to provide additional meeting/gathering space serving the needs of the diverse cultures represented in the Annandale community and to support a project that could be the basis for a public-private development project that will catalyze reinvestment and improve the area's economic vitality.

To accommodate the preliminary site development program and address these goals, the basic criteria for the first phase of site selection were as follows:

- 1) At least two acres of contiguous property (two acres are necessary to accommodate 50,000 square feet of development for cultural center plus a moderate level of additional private development – approximately 35,000 square feet - at a 1.0 FAR. A 1.0 FAR is assumed to represent a reasonable intensity of development given the recent Comprehensive Plan amendment increasing allowable density in the Town Center core to 1.0 FAR or higher as an incentive if a special feature as well as residential development are included in the project.)
- 2) Location in a relatively central location within Annandale providing multimodal access (pedestrian, bicycle, automobile, and public transit)

Conducted in collaboration with the Department of Housing and Community Development and the Annandale Revitalization Committee, the first phase of site selection resulted in 19 finalist sites, or focus areas (Figure 11). These areas meet the basic suitability criteria and also reflect the County's and the Revitalization Committee's knowledge of property owner interests.

Second Phase

The second phase of site selection was designed to identify finalist sites which demonstrated an indication of positioning for possible near-term (re)development. While Annandale is a dynamic real estate market in which opportunities may arise at any moment and flexibility to respond is key, site availability is an essential component of assessing project feasibility. Without knowledge of site availability, there can be no degree of certainty that the cultural center project could actually move forward.

In order to assess site availability and obtain additional information about the sites, outreach was conducted with the 80 property owners through written letters sent via U.S. mail, email correspondence, telephone calls, and walk-in visits.

BBPC received a response from property owners and/or property owner representatives in 11 of the 19 opportunity sites.

A summary table providing key information about the opportunity sites, including the results of property owner interviews/outreach, is provided in Figure 11.

In 5 of these 19 opportunity sites (Sites 1b, 1d, 3, 5, 11), the ownership patterns are extremely fragmented without a majority land owner. Furthermore, the majority of the ownership entities within these sites are national corporations (i.e. banks, gas stations, convenience stores), foreign interests, a property trust. Assembly would likely be expensive and only occur as the result of a redevelopment project led by a private developer or through public land acquisition.

In 2 of the 19 opportunity sites (Sites 2 and 4), the ownership is fragmented, but there is a majority land owner with enough land to accommodate the cultural center. However, in both cases, the property owners have not expressed a willingness to sell the property.

In 5 of the 19 opportunity sites (Sites 1/1a, 7, 8, 9, and 9a), there is a single owner, making acquisition much less challenging. However, these property owners have not responded to repeated attempts to contact them – likely indicating a lack of interest in redeveloping/relocating/selling their property.

In 3 of the 19 opportunity sites (Sites 7, 10, and 15) there is a single owner. These property owners have been in touch yet did not express an interest in redeveloping/relocating/selling their property.

In 6 of the 19 opportunity sites (Sites 1c, 3, 11, 12, 13, and 16), representatives for ownership entities have expressed a willingness to sell their land and/or to consider partnerships with the County for construction of a cultural center.

Based on the property owner responses, six potentially viable opportunity sites were identified as demonstrating an indication of positioning for possible near-term (re)development for the cultural center. These sites are referred to as the Fairfax County Adult and Child Day Care site, Poplar Street, Trend IV Investment Group, Annandale Center, K Mart, and the Post Office. Again, while the County should continue to pursue all options related to site selection and remain flexibility should a new opportunity arise, these six sites were selected for detailed evaluation because they demonstrate the key characteristic needed to ensure actual implementation of the Annandale Cultural Center vision. In all six of these cases, representatives for the ownership entity have expressed a willingness to sell their land and/or to consider partnerships with the County for construction of a cultural center.

Figure 11: Summary of Opportunity Site Outreach

Site	Property Name/ Identification	Property Owner(s)	Land Area (Acres)	Interview/Outreach Results	Summary Comments
1 and 1a	Little River Center	Fairfax Investors LP LLP (Michael Webb)	(1) 8.98 (2) 1.67	No response to email and phone calls	Recent renovation and high occupancy levels by many credit tenants - implies little economic rationale for redevelopment.
1b	Triangle of parcels bound by Annandale Road, Maple Place, Columbia Pike and Little River Turnpike.	Multiple: 13 owners	3.91	No response to letters sent to mailing addresses on record	At crossroads of Annandale CBC with many older, smaller buildings, prime location for redevelopment. However, given prime location and as evidenced by lack of response from property owners, assembly will be very difficult and costly.
1c	Fairfax County Adult and Child Daycare Center	Fairfax County	3.68	Response from Division of Real Estate Services, Property Management with Fairfax County.	Located in prominent location on Columbia Pike. Aging facility. May be opportunity to redevelop property as multi-use facility combining cultural center, adult day care, and children's day care. Adjacent to small businesses on Maple Avenue/Poplar Street who may be interested in relocating to new space above the county uses and participating in the project.
1d	Small shops on Evergreen lane	Multiple: 6 owners	2.52	No response to letters sent to mailing addresses on record	As evidenced by lack of response from property owners, assembly will be challenging. Non-central location.
2	Markham East Center	Multiple: 9 owners, including AMF bowling alley, Seoul Center, Duron Paint Center, and Exxon	10.82	Response from developer involved in land assembly.	Prime location long the focus of unsuccessful redevelopment efforts by private development entities. With recently approved higher density allowances, private development entities may now have leverage needed to buy out reticent owners who have very high compensation expectations.
3	Poplar Street	Multiple: 14 owners	5.06	Response from 3 out of 11 property owners who received letter sent to mailing address on record.	Responses from property owners indicate that there may be an interest in relocating to upgraded office space. There may be an opportunity to assemble enough property for a mixed use project in which cultural center uses are on lower levels and upper levels reserved for office condos that Poplar Street owners purchase in exchange for their property. However, identification of these opportunity sites may be difficult given low response rate from Poplar Street owners.
4	Little River Tnpk Frontage East of Ravensworth	Multiple: 13 owners, including 2.34 acres owned by Public Storage	8.6	Response from Public Storage in 7/06. No response from other 12 owners who received letter sent to mailing address on record.	As evidenced by lack of response from property owners, assembly will be challenging. The largest landowner - Public Storage - responded that they are not interested in relocating/selling.

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5	Underutilized parcels west of Giant	Multiple: 6 owners	2.66	No response to letters sent to mailing addresses on record. Conversation in 9/06 with real estate broker representing large land owner - Han Kee.	Prime location for redevelopment. However, given prime location and conversation with representative real estate broker and as evidenced by lack of response from property owners, assembly will be difficult and costly.
6	Giant Food Store	Stop and Shop Companies	4.57	Conversation in 7/06 with VP for Real Estate Development.	Property owner not interested in relocating/selling.
7	Antique Emporium	Donald F. Riesett Trustees	1.07	No response to multiple attempts to contact via telephone and letter sent to mailing address on record.	Property owner has not expressed an interest in relocating/selling. With property in trust, there may be an opportunity to purchase if County extended a formal purchase offer. However, size of parcel as a stand alone opportunity site is too small to accommodate the cultural center development program.
8	Location of proposed new hotel on Little River Tnpk	Moon Park and Hyon Chung	1.92	No response to letter sent to mailing address on record. Contact with attorney representative found that attorney no longer represents property owner.	Property has received approval for increased density. However, project has not progressed beyond this point.
9	Annandale Baptist Church	Annandale Baptist Church	2.02	No response to multiple attempts to contact via telephone and letter sent to mailing address on record.	Property owner has not expressed an interest in relocating/selling.
9a	Annandale Regency Center	Han Kee	1.05	No response to letter sent to mailing address on record.	Property owner has not expressed an interest in relocating/selling. Size of parcel too small to accommodate cultural center development program unless it were consolidated with the adjacent Baptist Church.
10	Annandale Shopping Center	Annandale Shopping Center LLC (Jim McWhorter and Carol Zach)	5.35	Conversation in 9/06 with Carol Zach.	Property owner not interested in relocating/selling.
11	Parcels bound by Annandale Center Drive, Columbia Pike, John Marr Drive	Multiple: 13 owners	6.9	Conversations in 5/07 with two property owners.	As evidenced by lack of response from property owners, assembly will be challenging. However, property owner group for 1 acre site has contacted us and the County and have expressed interest in redevelopment and cultural center partnership.
12	Annandale Shopping Center	Curtis Properties Inc. and Four Points LLC	3.45	Conversation in 5/07 with representative of Four Points LLC.	Plans for redevelopment as a mixed use project with ground level retail and upper level residential. Four Points LLC has indicated that there may be an opportunity for a partnership with the County. He envisions the County facility as an anchor tenant in which property owners can provide a long term lease - long enough to amortize the County's costs of construction

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13	K Mart	American Properties of MD LLC	11.83	Conversation in 8/06 with attorney representative.	Property owners currently in extended negotiations with Kmart regarding site planning and phasing - to continue to accommodate Kmart's parking needs throughout construction. While attorney representatives have expressed a willingness to talk to the county about potential partnerships, it does not appear that a County partnership is needed as leverage to move project forward at this point. Property owners and Kmart need to come to an agreement.
15	Great World Plaza	Great World Plaza LLC	3.07	Conversation in 9/06 with property owner representative	Recent renovation and high occupancy levels. Property owner has not expressed an interest in relocating/selling/reinvesting.
16	Post Office	U.S. Postal Service	2.92	Conversation in 5/07 with representative for the U.S. Postal Service.	Property owner representatives are interested in exploring the possibilities for a County partnership for a mixed use project incorporating a postal service retail storefront, the cultural center, and upper levels of residential/office space. The Postal Service has become more aware of their real estate development opportunities over the past few years – particularly in locations such as Annandale where they own and are located on such valuable property. They will consider relocation when 1) they can be “made whole” on a new site and 2) there is an opportunity to participate in a project upside.

Third Phase

The third phase of site selection established more stringent selection criteria – designed to evaluate the short list of six candidate sites and provide the County with guidance in reviewing its options for next steps in the planning process. The criteria established for this phase were selected to address several objectives consistent with the Cultural Center’s overarching goals.

These objectives are as follows:

- 1) ***Accommodate the preliminary site development program.*** As established in Chapter 3, site development and design parameters for the Cultural Center should accommodate and/or allow for 50,000 square feet of cultural center space, additional development for private mixed-use development, structured parking, exterior civic gathering space with attractive landscaping, and accommodation for multimodal access
- 2) ***Achieve geographic centrality within the Annandale core.*** Consistent with the overarching goals of providing common ground for Annandale’s diverse cultural groups, the Center should be located so as to provide convenient access for the wide range of potential users and cultural groups and represent a community focal point. The center should also be located next to compatible uses – preferably those that include potential cultural center users and/or offer the possibility of shared parking
- 3) ***Provide potential to catalyze additional reinvestment, redevelopment, and/or revitalization in Annandale.*** Given the public investment involved in construction of a new cultural center, the benefits of the new cultural center should be carefully considered. While provision of additional meeting and gathering space is a key goal, the potential of the project to address additional County objectives should also be weighed. Sites which may spur adjacent property owners to reinvest or redevelop should be pursued. The project should also be located on a site where the development can realize additional economic benefits, such as reclamation of vacant, unused, or underutilized property and/or potential contribution to leverage private sector investment
- 4) ***Represent a potential near-term implementation option.*** One of the key objectives of a feasibility study is to identify prospects for implementation. To that end, sites should be pursued which demonstrate indications that they are positioned for possible near-term (re)development. Property owner willingness to sell and/or partner with the County in a public-private partnership represents a key component of this objective. Realistic compensation expectations are also an important element of economic and financial feasibility.

These objectives were translated into four categories of evaluation criteria:

- 1) Development Program
 - Compatibility with adjacent uses
 - Flexibility of design and orientation within development project
 - Magnitude of opportunities for private development
- 2) Transportation
 - Vehicular access
 - Pedestrian access
 - Parking Options
- 3) Economic Benefits
 - Reclaim vacant, unused, or underutilized property
 - potential contribution to revitalization/leverage private sector investment
- 4) Real Estate
 - Parcel size (sf)
 - Price

- Visibility – frontage on major road, distance to center of CBD
- Availability of property
- Proximity/access to market areas
- Displacement of existing businesses
- Ease of assembly/acquisition
- Opportunity for building ownership
- Potential near term opportunity

The six sites were reviewed according to these evaluation criteria and the results are provided in the following section. A detailed table providing results of the evaluation process is found in Appendix 6.

4.3 Evaluation of Six Candidate Sites

This section provides a review of the six candidate sites according to the evaluation criteria identified in the previous section. These sites are referred to as the Fairfax County Adult and Child Day Care site, Poplar Street, Trend IV Investment Group, Annandale Center, K Mart, and the Post Office.

Fairfax Adult/Child Day Care Site, 7200 Columbia Pike (Opportunity Site 1c)

Real Estate Criteria

As County-owned property, this 3.77 acre site offers the primary advantage of requiring no funding for land acquisition costs and guaranteeing continued County ownership. In addition, there are no permanent relocation requirements or constraints related to buying out long term leases (which can represent a significant share of the acquisition costs with private ownership), given the potential to retain the adult and child day care programs in the new County facility. It is also centrally located, positioned with direct frontage on Columbia Pike and only 0.2 miles from the center of the CBC (intersection of Little River Turnpike and Columbia Pike). Redevelopment of the property may also represent a near term opportunity, given that the only known constraints at this time are identification of temporary relocation facility for the adult and child care programs until the new facility is constructed and the programs can return.

Transportation Criteria

Given its orientation to Columbia Pike, one of the County's main thoroughfares, the day care site enjoys excellent vehicular access. Pedestrian access, on the other hand, is only fair, as pedestrian improvements have so far extended only along Little River Turnpike and John Marr Drive.

Development Program

The cultural center development program is compatible with surrounding uses and the existing on site uses. The current zoning will accommodate the desired cultural center development program. However, approval to increase the maximum allowable FAR will be required to accommodate the existing uses and any additional private development.

The configuration of on-site parking for a new facility will depend on the maximum density of development allowed. Under current zoning regulations, the parcel can be developed up to a maximum FAR of 0.35. In this scenario, parking would most likely be accommodated in a surface parking lot. At a maximum 0.35 FAR, the 3.77 acre site will allow up to 57,595 square feet of development. Given the 50,000 square feet cultural center development program, there is no additional development capacity for an above ground structured parking lot. With the construction costs of below ground parking running up to \$50,000 per parking space, surface parking would represent the most economic option.

Economic Benefits

While construction of the cultural center on the day care site is beneficial from the perspective of requiring no cash outlay for acquisition of the property and presenting an opportunity to redevelop an aging County facility, the site's potential to catalyze additional private development is dependent on approval of an increase in the maximum allowable FAR.

Summary

The day care site is an option from the perspective of real estate and transportation factors (price, compatibility with existing uses, ease of assembly and possible near term option, ownership opportunity, visibility, and access).

The site is constrained in terms of the development program and parking options given current Comprehensive Plan provisions and the limited maximum allowable FAR (0.35 FAR). There is significantly higher development potential if the Comprehensive Plan is amended to allow for higher density. Approval to increase the maximum allowable FAR will be required to accommodate the existing uses and any additional private development.

The economic benefits are limited relative to other sites given the need to accommodate existing uses in overall development program and limited assembly opportunities on adjacent parcels.

Poplar Street (Part of Opportunity Site 3)

Real Estate Criteria

For purposes of comparison, assuming that all of the property fronting on Maple Place and Poplar Street between Annandale Road and Martin Avenue will be consolidated for the redevelopment project. Representing 3.38 acres, the development area is roughly the same size as the Fairfax County day care, post office, and Annandale Center candidate sites.

From a real estate perspective, this site represents the most constrained of all the candidate sites. Comprised of nine separate parcels each between ¼ and ½ acre in size with nine different owners, the development area will present significant challenges in terms of assembly. Of these nine different owners, only two responded to written inquiries regarding their interest in a potential County partnership. Of the two respondents, only one expressed an interest in exploring potential opportunities.

However, despite the lack of initial interest, this area may possess the greatest potential for businesses to relocate in the new facility in upgraded office space – offering a participation option that may drastically reduce land acquisition costs and eliminating the need for a marketing strategy to lease speculative office space to small office users.

Another disadvantage of this area is the lack of proximity and connection to the center of the CBC. While it is only 0.2 miles from the center, there is far less activity in this part of the Annandale commercial district than by other candidate sites.

Transportation Criteria

Given the site's location in a formerly residential enclave, vehicular and pedestrian access to this area is less convenient than to other candidate sites.

Development Program

The cultural center development program is compatible with the surrounding uses – consistent with the community and businesses uses located in the adjacent Poplar Street structures.

At a maximum 1.0 FAR, the 3.38 acre site allows for 147,509 square feet of development. This will clearly accommodate the cultural center development program as well as the planned private

development. If the cultural center is 50,000 square feet, there is a balance of 97,509 square feet for private development and structured, above grade parking.

With a 50,000 square feet cultural center development program, there is development capacity for above ground structured parking or surface parking.

Economic Benefits

The economic benefits of locating the cultural center on Poplar Street are significant. The cultural center could represent a catalytic event causing the consolidation of aging properties on site as well as in proximate locations – such as across the street on the other side of Poplar Street. In addition, the redevelopment will achieve a higher intensity of development. When combined with the potential for additional private sector development, the project will benefit the tax base in a way that otherwise would not have occurred.

Summary

The greatest challenges associated with the Poplar Street site is the lack of proximity to the center of the district and the strong likelihood of difficult and costly land assembly.

However, the site offers the opportunity for the County to set the terms of a redevelopment project (County ownership of the cultural center and direction regarding the mix of additional private development).

Other advantages of this site are the recent Comprehensive Plan amendment eliminating restrictions related to eligibility for a 1.0 FAR – significantly increasing opportunities for private development, particularly opportunities to relocate the businesses on Poplar Street to new, upgraded office space above the cultural center. This relocation potential offers a participation option that may reduce land acquisition costs and eliminate the need for a marketing strategy to lease speculative office space to small office users.

Given the private development potential and aging quality of the existing properties, the selection of this candidate site offers significant potential for new economic benefits. These benefits include the potential to consolidate property with aging structures and the potential to achieve the highest and best use on currently underutilized property.

Trend IV Investment Group (Part of Opportunity Site 11)

Real Estate Criteria

The owners of tax map parcels # 71-1 ((1)) 102E, 102F (Lots 102E and 102F) have expressed an interest in redeveloping their property as a multi-level, mixed use project. Representing just under one acre (41,575 square feet) the development area is the smallest of all the candidate sites and does not correspond to the 2-acre, minimum site size, first phase selection criteria. However, conversations with the project architect indicate potential willingness to accommodate the cultural center program as well as the desired mixed use development providing that an allowance for a 2.0 FAR is obtained.

From a real estate perspective, this site is one of the most well positioned sites for near-term implementation. Comprised of two parcels owned not only by a single ownership entity but by individuals who have initiated discussion about redevelopment, the challenges of assembly inherent in many parts of the Annandale CBC have been removed. The removal of this assembly challenge not only

significantly reduces development costs but also ensures that redevelopment could occur in the near term. The owners' interest in selling the cultural center to the County also represents a significant advantage of this site.

Another advantage of this area is the proximity and connection to the center of the CBC. Located on John Marr Drive across from the K-mart, the site is well positioned in the Annandale core.

Transportation Criteria

With orientation toward John Marr Drive and its recently improved pedestrian features, the parcel has excellent vehicular access as well as excellent pedestrian access.

Development Program

The cultural center development program is compatible with surrounding uses. The project will be particularly complementary with the mixed use development project planned for the Kmart site and with proper site design would further expand and enhance the desired town center character of the Annandale CBC.

The most significant constraints in the scenario are the current development regulations. At a maximum 0.35 FAR, the current zoning will accommodate only 41,575 square feet of development - less than the desired cultural center development program and far less than would be required to realize a public-private venture with additional private sector development on site. The Comprehensive Plan allows retail/office/residential mixed use up to 1.5 FAR (height limit of 90 feet or 120 feet if designed in a manner to create an architectural focal point) to be considered provided that the project achieves revitalization and redevelopment goals and that parcel consolidation of at least 200,000 square feet is achieved. This project will require an FAR of 2.0, and parcel consolidation is not being considered.

The project will also require below ground parking. Preliminary financial analysis indicates that the project may support these costs. However, with the construction costs of below ground parking running up to \$50,000 per parking space below ground parking remains a significant burden.

Economic Benefits

Provided that approval to increase the maximum allowable FAR is received, development of the cultural center on this site will provide several key economic benefits. The site is currently underutilized – given its location on highly-valued land in central Annandale. Furthermore, there is potential to catalyze additional private development, both on site and on adjacent properties.

Summary

The Trend IV Investment Group site is one of the best sites from the perspective of real estate and transportation factors (reasonable price expectations, compatibility with existing uses, ease of assembly and possible near term option, option for County ownership, good visibility, and excellent access). Provided that approval to increase the maximum allowable FAR is received, there may be sufficient potential for private development to justify the investment – particularly the costs of the necessary below ground parking.

The major constraint related to this site is the conflict between the development program and parking needs and the current Comprehensive Plan and zoning provisions. There is significantly higher development potential if the Comprehensive Plan is amended to allow for higher density. Approval to

increase the maximum allowable FAR will be required to accommodate the cultural center development program and any additional private development.

Provided that approval to increase the maximum allowable FAR is received, the economic benefits are potentially significant given the potential to stimulate redevelopment/assembly on Opportunity Site #11 and the opportunity to realize the highest and best use through a mixed use project with private development.

Annandale Center, 7031 Columbia Pike (Opportunity Site 12)

Real Estate Criteria

This site is 3.45 acres, a suitable size for the desired type of redevelopment project. As a result of the recent increase in maximum allowable FAR for this parcel (up to a 1.5 FAR), the current property owners, Curtis Properties, Inc. and Four Points LLC are already in the process of planning a development proposal for this site that will demolish the existing shopping center and build a new mixed use development project with ground level retail and upper level residential units. The status of the redevelopment planning efforts imply that this site scenario may represent more of a near term option than other properties where the interests of the property owners are not as clearly understood.

At 0.5 miles from the center of the CBC, the property is located furthest away of all the candidate sites.

The most significant drawback of this site is that the property owners do not - at this time - envision a County-owned facility. The owners proposed an arrangement in which the owners would lease ground level space for the cultural center to the County – representing one of the anchor tenants in the new mixed use project. The lease would be structured as a long-term deal, long enough to amortize the County's costs of construction. The owners are open to more detailed discussions with the County regarding their needs and interests, and alternative options would need to be explored.

Transportation Criteria

With access and visibility from both John Marr Drive and Columbia Pike, the Annandale Center site offers excellent pedestrian and vehicular access.

Development Program

The cultural center development program is compatible with surrounding uses. The project would be particularly complementary with the new mixed use development project planned for the Kmart site. With proper site design the project would further expand and enhance the desired town center character of the Annandale CBC.

At a maximum 1.5 FAR, the 3.45 acre site allows for 226,063 square feet of development. This will clearly accommodate the cultural center development program as well as the planned private development. If the cultural center is 50,000 square feet, there is a balance of 176,063 square feet for private development and parking.

The owners intend to propose both below grade and above ground structured parking to accommodate all on site uses.

Economic Benefits

The development of the cultural center on this site will provide economic benefits that are limited relative to the potential economic benefits on other candidate sites. The cultural center will fill a crucial anchor tenant slot, but otherwise the project is already planned for redevelopment. On the other hand, redevelopment on the Annandale Center site may serve as incentive for property consolidation and redevelopment across the street in Opportunity Site 11.

Summary

In terms of real estate criteria, this candidate site represents a potential near term opportunity and offers relatively clear visibility into the property owners' plans and intentions. The opportunity for facility ownership is unclear, however, as are tenant relocation/buy out requirements. Furthermore, there is limited visibility relative to other sites.

A strength of this site is the capacity to accommodate the cultural center development program. With a recent Comprehensive Plan amendment increasing the maximum FAR to 1.5, there is significant opportunity for private development and flexibility to accommodate cultural center.

Economic benefits are limited. The net new benefits are limited given previous plans to redevelop. The project may stimulate assembly/redevelopment in Opp. Site 11.

Kmart (Opportunity Site 13)

Real Estate Criteria

At 11.69 acres, the Kmart site is the largest of the candidate sites. The property owners' attorney has indicated a willingness to discuss potential partnership options with the County for construction of a cultural center. However, property owners are currently most focused on achieving an agreement with Kmart regarding the phasing of construction and accommodating Kmart's parking requirements. No details regarding a potential time frame for construction or potential terms of a County partnership have been elaborated.

The property is in a visible location, 0.4 miles to the center of the Annandale CBC.

Transportation Criteria

With access and visibility from both John Marr Drive and Little River Turnpike, the Annandale Center site offers excellent pedestrian and vehicular access.

Development Program

The cultural center development program is compatible with surrounding uses. The project will be particularly complementary with the new mixed use development project planned for the Kmart site.

At a maximum 1.0 FAR, the 11.69 acre site allows for 509,135 square feet of development. This will clearly accommodate the cultural center development program as well as the planned private development. If the cultural center is 50,000 square feet, there is a balance of 459,135 square feet for private development and parking.

The owners intend to propose both below grade and above ground structured parking to accommodate all on site uses.

Economic Benefits

The development of the cultural center on this site will provide economic benefits that are limited relative to the potential economic benefits on other candidate sites. The cultural center may provide support for the project, but otherwise the project is already planned for redevelopment.

Summary

From a real estate acquisition and implementation perspective, a strength of this site is property owner willingness to cooperate. Beyond an interest in discussing potential partnerships, the terms of a potential deal, including opportunities for facility ownership and an implementation time frame are unclear, however. A complicated relationship with Kmart presents additional challenges.

The most significant strength of this site is the capacity to accommodate the cultural center development program. With a recent Comprehensive Plan amendment increasing the maximum FAR to 1.0, there is significant opportunity for private development as well as flexibility to accommodate cultural center.

The net new economic benefits are limited given previous plans to redevelop.

Post Office Site, 4270 John Marr Drive (Opportunity Site 16)

Real Estate Criteria

Other than the Trend IV Investment Group site, this 2.92 acre site is the smallest of the six candidate sites. However, the Postal Service is looking to move its sorting and distribution functions out of urban areas while retaining a retail “store front”. Given the Postal Services desire to leverage its real estate asset and its status as a publicly-owned property, the County may experience the most realistic expectations for compensation - based on mutually accepted appraisals of fair market value - provided that suitable replacement facilities either below ground on site or on a new site nearby are found and that there is potential for them to realize a financial benefit. Furthermore, a relationship has already been established with the Postal Service’s Headquarters Real Estate Division and the Postal Service’s private sector development broker, Keating Development – and the Postal Service is eager to take advantage of opportunities to leverage its real estate assets. These features increase the likelihood that the site could represent more of a near term opportunity than other candidate sites where the property owners interests and timeline are less of a known quantity. Finally, removal of the sorting and distribution function from this location with retention of the retail “store front” would eliminate truck traffic and greatly ease access for retail customers.

The parcel is in a visible location, across the street from the Kmart and 0.4 miles to the center of the Annandale CBC.

Ownership of the facility is an option in this scenario – likely in the form of condominium ownership of the cultural center consistent with arrangements adopted in other Keating Development projects of former Postal Service property.

Transportation Criteria

With orientation toward John Marr Drive and its recently improved pedestrian features, the parcel has excellent vehicular access as well as excellent pedestrian access. In fact, removal of the sorting and distribution function from this location with retention of the retail “store front” would eliminate truck traffic and greatly improve access for retail customers.

Development Program

The cultural center development program is compatible with surrounding uses. The project will be particularly complementary with the new mixed use development project planned for the Kmart site and with proper site design would further expand and enhance the desired town center character of the Annandale CBC.

The most significant constraints in the scenario are the current development regulations. At a maximum 0.35 FAR, the current Comprehensive Plan provisions will accommodate only 44,542 square feet of development - less than the desired cultural center development program and far less than would be required to realize a public-private venture with additional private sector development on site. Approval to replan and rezone the property and increase the maximum allowable FAR will be required to accommodate the cultural center program and any additional private development.

The configuration of on-site parking for a new facility will depend on the maximum density of development allowed. Under current regulations, the parcel can be developed up to a maximum FAR of 0.35. In this scenario, parking would most likely be accommodated in a surface parking lot. At a maximum 0.35 FAR, the 2.92 acre site will allow up to 44,542 square feet of development. Given the 50,000 square feet cultural center development program, there is no additional development capacity for an above ground structured parking lot. With the construction costs of below ground parking running up to \$50,000 per parking space, surface parking would represent the most economic option.

Economic Benefits

Provided that approval to increase the maximum allowable FAR is received, development of the cultural center on this site will provide several key economic benefits. The site is currently underutilized – given its location on highly-valued land in central Annandale. Furthermore, there is potential to catalyze additional private development, both on site and on adjacent properties. Redevelopment on the Postal Service site may serve as incentive to convince the out-of-state family trust of Donald Reissett in ownership of Opportunity Site 7 to sell their property for consolidation with the Postal Service site.

Summary

The Postal Office site is one of the best sites from the perspective of real estate and transportation factors (likely reasonable price expectations, compatibility with existing uses, ease of assembly and possible near term option, option for County ownership, good visibility, and excellent access). Identification of a replacement facility for the Postal Service may represent a constraint; however, the Postal Service has established as a precedent relocation of its facilities below ground (Arlington, Virginia). Provided that approval to increase the maximum allowable FAR is received, there may be sufficient potential for private development to justify the costs of this type of relocation scenario.

The major constraint related to this site is the conflict between the development program and parking needs and the current Comprehensive Plan and zoning provisions. There is significantly higher development potential if the Comprehensive Plan is amended to allow for higher density. Approval to increase the maximum allowable FAR will be required to accommodate the cultural center development program and any additional private development.

Provided that approval to increase the maximum allowable FAR is received, the economic benefits are potentially significant given the potential to stimulate redevelopment/assembly on Opportunity Site #7 and the opportunity to realize the highest and best use through a mixed use project with private development.

4.4 Findings of Evaluation of Six Candidate Sites

The analysis of the alternative candidate sites reveals that all six sites offer potential for construction of the Annandale Cultural Center; however, each site differs in its range of benefits and drawbacks. While some of the sites represent a potential near term strategy and relative ease of assembly, other sites offer significant economic benefits including potential to catalyze and support additional on- and off-site private development. Some of the sites are located in highly visible, centrally situated locations while others are less ideally located yet are large enough or include zoning provisions that will easily accommodate the desired cultural center development program.

Given the range of benefits and drawbacks, a matrix was created to rank the relative strengths of these sites according to the four major site selection criteria: favorable real estate terms and conditions, favorable transportation access and parking, ability to accommodate the development program, and potential economic benefits. The matrix is presented in Figure 12.

Figure 12: Summary Evaluation of Candidate Sites

Selection Criteria	Day Care Site 7200 Columbia Pike	Poplar Street and Maple Place	Trend IV Investment Group John Marr Drive	Annandale Center 7031 Columbia Pike	Kmart	Post Office 4270 John Marr Drive
Real Estate	3	1	3	2	1	3
Transportation	2	1	3	3	3	3
Development Program	1 or 3	3	1 or 3	2	3	1 or 3
Economic Benefits	1 or 2	3	2 or 3	1	1	2 or 3

1 = Worst Performing
3 = Best Performing

The sites were ranked on a scale of 1 to 3, with 1 being ‘worst performing’ and 3 being ‘best performing’.

Real Estate Criteria

Kmart and Poplar Street/Maple Place emerged as the worst performers in this category because there is the least visibility into the potential terms of a real estate deal: the property owner timelines, interests, and willingness to participate with the County as a partner. There is little certainty that these sites could be made ready for the cultural center in the near term or at a price that the County would be willing to pay.

Annandale Center came out in the middle because there is a clear opportunity for a County partnership. However, at this time the property owner has not extended the option for County ownership of the facility.

The Day Care Site, the Post Office site, and the Trend IV Investment Group site emerged as the best performers in this category because they are clear opportunities for potentially near term implementation

strategies in which the County can take ownership of the cultural center property under reasonable acquisition terms.

Transportation Criteria

Poplar Street/Maple Place emerged as the worst performer in this category because of its relative isolation from the center of the district and its location on secondary, neighborhood roads. If the new facility were located here, improvements to the road network may be required to support the increased traffic. Enhancements to pedestrian access would also need to be considered.

The Fairfax County Adult and Child Day Care site emerged in second place. The site's transportation access off of Columbia Pike is excellent. However, there are minimal pedestrian amenities located along this corridor. Improvements would need to be considered to make this site accessible to pedestrians arriving from the surrounding neighborhoods or bus transit routes along Little River Turnpike.

Annandale Center, the Kmart site, the Post Office Site, and the Trend IV Investment Group site were deemed the best performers in this category. With access from Columbia Pike, John Marr Drive, and Little River Turnpike, these sites have excellent vehicular and pedestrian access.

Development Program

Except for the Kmart site which is significantly larger and the Trend IV Investment Group site which is significantly smaller, the remaining four candidate sites are approximately the same size, ranging from 2.92 acres at the Post Office site to 3.77 acres at the Fairfax County Adult and Child Day Care site. The development capacity is most affected by the Comprehensive Plan and zoning provisions, and rankings in this category are most dependent upon whether the maximum FAR is high enough to accommodate the desired cultural center development program and additional private sector development.

In a scenario where the Comprehensive Plan is not amended and maximum FAR thresholds remain the same, the Fairfax County Adult and Child Day Care site, the Post Office site, and the Trend IV Investment Group site are the worst performers. Under these conditions, the sites will not be able to accommodate the desired development programs and parking. On the other hand, if the Comprehensive Plan is amended to increase the maximum FAR on one or more of these sites, they will be able to accommodate the desired development programs and parking. In this scenario, the sites emerge as best performers.

Annandale Center emerged in second place. While this site can accommodate the cultural center program as well as additional private sector development, there is not likely to be much flexibility in the cultural center's location within the project.

Kmart and Poplar Street/Maple Place are best performers. The size of these sites, combined with the development capacity, ensure that they can accommodate the desired development program.

Economic Benefits

Annandale Center and the Kmart are the worst performers in this category. These sites are already planned for redevelopment, and the inclusion of the cultural center will provide little or no support that the project could not obtain from another large tenant.

The Day Care site emerges as either a worst performer or a second place performer in this category. If the Comprehensive Plan is not amended to increase the maximum allowable FAR, this site will not be able to accommodate any additional development. Even if private development is accommodated on site, there is little opportunity to catalyze redevelopment on adjacent sites.

Poplar Street/Maple Place, the Post Office, and Trend IV Investment Group emerge as the best performers in this category. Provided that the Post Office receives an increase in maximum allowable FAR, both of these sites will be able to accommodate new private development on site and could also catalyze additional development on adjacent sites.

Summary

The analysis of the alternative candidate sites reveals that all six sites offer potential for construction of the Annandale Cultural Center. The evaluation of the sites relative strengths and disadvantages provide insight into next steps in the County's planning process. The following chapter provides guidance for implementation on these sites.

Chapter 5 Action Plan for Implementation

The analysis of the alternative candidate sites reveals that all six sites offer potential for construction of the Annandale Cultural Center, yet there are varying competitive advantages and challenges associated with each site. This chapter provides guidance for implementation on these sites – recognizing these relative strengths and weaknesses.

5.1 General Implementation Guidance

There are several “next steps” that should be pursued regardless of the specific site ultimately selected for the Annandale Cultural Center.

Obtain County Support and Identify Sources of Funding and Financing

One of the first “next steps” in the Annandale Cultural Center planning process will be to obtain widespread County support. While a marker for funding for the Annandale Cultural Center has been placed in the County’s Capital Improvement Plan, no funds have been specifically allocated for the project. While there are significant benefits of this project for the Annandale community, benefits to the county as a whole should be highlighted. These benefits include but are not limited to the potential to achieve workforce and/or affordable housing goals through inclusion of residential apartments in the development project, the potential to showcase a LEED certified County project, and construction of new public space for county activities and services, such as English as a Second Language, adult and child day care, and workforce training and education classes.

In terms of potential sources of funding, this project offers the unique opportunity to craft a public-private partnership which could potentially offset a portion of the cultural center development costs. Examples of this type of partnership which should be considered are as follows:

- The Annandale Cultural Center planning process should consider opportunities for a proffer process by which developers could contribute to the center as part of a private development project.
- The County should consider incentives which may include increased density for private development in exchange for the incorporation of the cultural center into the project.
- Joint ownership should also be considered as part of a mixed use project. This arrangement allows both users to take advantage of common spaces, such as conference rooms and media centers, at a lower cost than if each space was built in a separate facility. In planning the Annandale Cultural Center, a discussion should take place that identifies center users and possible co-tenants if joint ownership is desired.
- Exploration of a special tax assessment to pay down the center’s debt and fund daily operations and maintenance should also be considered. Issues associated with the use of special tax assessments should be discussed in the Annandale Cultural Center planning process if this financing option is considered. Potential issues include: financial impact on area residents and/or businesses; which entities (residents and/or businesses) should become subject to the tax assessment; which entities will benefit from the center; and geographic extent of the assessment district.

- Use of tax increment financing or another source of public funding to reduce costs of constructing structure parking could also be considered. The net new tax revenue resulting from the private development could be allocated to a fund devoted to paying down a portion of the debt on the structured parking spaces.

Continue to Pursue All Options

Despite the fact that six sites have been identified as offering the potential for near-term implementation the County should continue to pursue other options as they arise. The Annandale CBC is a dynamic real estate market, and property changes hands on a fairly frequent basis. As new players and investors become involved, new opportunities may arise either to integrate the cultural center into a privately sponsored mixed use project or to acquire property for a stand-alone cultural center project.

Examine Transportation Network

As presented in the Appendix (Public Policies and Plans) the transportation network in Annandale is under review. The area's access is reasonably well defined; however, traffic patterns on Maple Place, Little River Turnpike, and Annandale Road require the use of Maple Place, a two lane circulator Road, to cross through Annandale heading northbound and southbound. Furthermore, congestion is also a significant challenge on Little River Turnpike, particularly during rush hour when regional commuters cut through Annandale to reach Interstate 495 and Interstate 395/95.

Given the regional character of Annandale's road network, the construction of a major, grade-separated interchange to improve level of service has been called for in the County's Comprehensive Plan since the 1970s. In responses to the likely negative land use, transportation, and redevelopment implications, the Virginia Department of Transportation conducted a study of the Annandale CBC in 2005 to explore potential alternative solutions to the declining level of service in this area. A system of one-way paired streets was studied as an alternative. As part of the 2005-2006 Fairfax County Transportation Plan Update, the County Transportation Plan still assumes widening of Little River Turnpike to 6 lanes to accommodate a grade-separated interchange. However, the Comprehensive Plan was amended to include the alternative system of one-way paired streets as a potential option. The Comprehensive Plan also calls for a new Annandale loop road system.

A key incentive for redevelopment is providing certainty regarding capital investments and infrastructure improvements. The lack of clarity regarding when or if Little River Turnpike will be widened is a major obstacle preventing property owners and developers from making decisions regarding whether or not to make improvements on the corridor. Limited public transit options are also a barrier to revitalization.

Given these challenges, greater certainty regarding transportation improvements for the Annandale CBC should be pursued as one of the key elements of the Annandale Cultural Center planning process. With this clarity, an appropriate site can be better targeted and pursued.

Establish Community Vision

Another important "next step" in the Annandale Cultural Center planning process is to establish a community vision for the function and design of the cultural center and to develop common expectations. A community survey and charrette process may be appropriate forums to obtain the community's input regarding desired uses and design and develop consensus as to its ultimate space programming and plan design. As presented in the chapter on Development Parameters, it is recommended that space in the cultural center include large multipurpose meeting rooms, which can be partitioned and arranged to serve

many uses as well as smaller rooms for one-on-one meetings and smaller group activities. The community should decide on the specific types of activities that these rooms will accommodate so that all stakeholders share common expectations regarding the Annandale Cultural Center's primary functions and activities.

Identify Affordable and/or Workforce Housing Strategy and Funding

One of the key recommendations of the Development Parameters is that the project should include an affordable housing and/or workforce housing component. Strategies to achieve this goal should be identified in collaboration with the Department of Housing and Community Development. The County's Affordable Dwelling Unit (ADU) Ordinance permits developers a density bonus in return, for the provision of affordable dwelling units. The ADU also allows the Housing Authority to purchase up to one-third of the affordable units developed.

The County's Workforce Housing Initiative and recent amendment to the Comprehensive Plan for workforce housing should also be considered. The recent Comprehensive Plan allows additional density in exchange for proffers of housing affordable to households at 120% of the Area Median Income (AMI). To encourage the provision of Workforce Housing, development proposals may realize a bonus of up to one additional market rate unit for each proffered Workforce Housing unit as long as a minimum of 12 percent of the total number of units proposed is affordable housing. The maximum achievable bonus for the provision of Workforce Housing is 20 percent in terms of additional residential density (dwelling units per acre) or non-residential intensity (floor area ratio).

Pursue Comprehensive Plan Incorporation

The Comprehensive Plan has been recently amended to allow for increased density and development flexibility within certain sites in the Annandale CBC. The proposed town center has received particular focus; policy direction encourages a more urban and pedestrian oriented development pattern. The land use concept recommends the development of a core, or "town center area" at the heart of the CBC while maintaining transitional areas at the fringe. Also, the concept provides an improved circulation system that includes realigning Columbia Pike to intersect with Backlick Road and completing a loop road system along Poplar and Markham Streets, McWhorter Place, and John Marr Drive. Development in this town center area may be approved for significantly higher density than in the surrounding area.

If a site is selected for development with the town center area, the Comprehensive Plan's provisions will facilitate approval of the higher density likely required to accommodate the cultural center and additional private mixed use. However, sites located outside of the designated town center area do not allow for the same density and design flexibility. To ensure that sites located outside of the town center area may still be considered for the Annandale Cultural Center, the County should consider including a provision in the Comprehensive Plan which would allow for density and design flexibility associated with a new public use – such as a cultural center – throughout the Annandale CBC.

5.2 Site Specific Implementation Guidance

The following section provides implementation guidance relative to the six sites identified in the study as having near-term implementation potential.

Fairfax County Adult and Child Day Care Site

To pursue development of the Annandale Cultural Center on the Fairfax County Adult and Child Day Care site, one of the first steps would be for the County to initiate discussions with the Department of Health regarding redevelopment of this property. The integration of the adult and child day care functions with the cultural center should be considered. Preservation of the adult and child day care functions would not only allow for upgraded facility in the same location, it would allow for significant benefits in terms of shared meeting rooms, shared clientele, and a guaranteed source of demand for cultural center programming. Relocation of the adult and child day care functions – whether permanent or temporary – will also need to be planned.

From a site planning and county review perspective, the 3.77 acre site could accommodate the 50,000 square foot cultural center program under current zoning. At a maximum 0.35 FAR, the 3.77 acre site will allow up to 57,595 square feet of development. Parking could be accommodated in a surface parking lot. However, if construction of additional space for the adult and child day care functions were desired, a Comprehensive Plan amendment increasing the allowable FAR for this sub-area may be required.

Given the relatively large size of the site, the County may also want to consider selling a portion of the site for private development – consistent with the recommendation that the cultural center should be integrated with private mixed use development and the site’s location within the designated Town Center. This may also be accomplished through a joint development proposal with a land lease. Reserving a portion of the property for private development could also offset as share of the development costs. In this case, a Comprehensive Plan amendment increasing the allowable FAR for this sub-area may be required.

In any case, improvements to the pedestrian environment would be required to enhance access for pedestrians and cultural center users arriving via public transit.

Poplar Street

Construction of the Cultural Center project on this site may present the greatest challenges of all the candidate sites. Comprised of nine separate parcels between ¼ and ½ acre in size with nine different owners, the development area will present significant challenges in terms of assembly. The first step in implementation on this site would be to conduct another round of concerted outreach to the property owners in the affected area – expressing the County’s strong interest in the Poplar Street area for the Cultural Center project. Identification of a potential master developer for the project should also be considered. The opportunity to include existing owners as partners in the project - in which owners would exchange their land or a share of their land for condominium office space above the cultural center – may be attractive to existing owners as well as a master developer assured of guaranteed buyers of the office space. Such an arrangement could also help to offset the high costs associated with acquiring land from nine different property owners.

In addition to site planning, enhancements to the road network would also need to be pursued. Poplar Street/Maple Place is not centrally located, making it more difficult for pedestrians to find and access. In addition, the secondary streets on which the site are located may not possess the capacity and level of service necessary to support higher intensity uses in this area. Significant improvements to the road capacity and access would need to be made to allow for development in this area.

Trend IV Investment Group

To pursue development of the Annandale Cultural Center on this site, the first step would be to follow up with the property owners and their current architect representative regarding the County’s interest in a partnership. Such a discussion will provide insight into the types of County involvement that may be

necessary to move the project forward. Identification of the Annandale Cultural Center as an anchor “tenant” for the project - may provide the support necessary to obtain financing, recruit additional tenants, etc. This discussion should also identify the types of Cultural Center ownership arrangements amenable to the County and to the property owners. Condominium ownership by the County of the Cultural Center may be an appropriate mechanism to allow for County ownership while preserving title to the land and office space component with the current Trend IV Investment Group ownership entity.

As identified in the site selection analysis, one of the most significant challenges to implementing this project will be to receive approval for a 2.0 FAR. Without the development rights to build approximately 31,000 square feet of private development, the project may not generate sufficient cash flow to support the costs of below ground parking. One of the most important elements of any ensuing conversations with the County will need to address the County’s support for a Comprehensive Plan amendment increasing the maximum allowable density to a 2.0 FAR in Sub Unit E-2.

Annandale Center

To pursue development of the Annandale Cultural Center on this site, the first step would be to follow up with Curtis Properties and Four Points LLC regarding the status of their redevelopment project. Such a discussion will provide insight into the types of County involvement that may be necessary to move the project forward. Identification of the Annandale Cultural Center as an anchor “tenant” for the project – complete with a steady stream of foot traffic - may provide the support necessary to obtain financing, recruit additional tenants, etc.

The maximum allowable FAR is currently a 1.5. Such a conversation between the County and the developers may also provide clarity regarding the County’s threshold for additional density on this site and assist the developers in determining their ultimate site plan and assessing financial feasibility. This conversation should also be held to determine whether the property owners would be willing to sell the cultural center property to the county – perhaps in exchange for additional density or other public-private partnerships.

Kmart

The first step in pursuing inclusion of the Annandale Cultural Center on this site would be to follow up with the developers regarding the status of their redevelopment project. As with Annandale Center, identification of the Annandale Cultural Center as an anchor “tenant” for the project may provide the project with much needed support to obtain financing and recruit additional tenants. However, property owners are currently most focused on achieving an agreement with Kmart regarding the phasing of construction and accommodating Kmart’s parking requirements. No details regarding a potential time frame for construction or potential terms of a County partnership have been elaborated. Addressing the complicated relationship with Kmart would be one of the most challenging elements of implementation of the Cultural Center project on this site.

Post Office Site

The first step in pursuing implementation on the Post Office site is to approach the Postal Service Real Estate Division with the County’s proposal for a public-private project on the Annandale Post Office.

Based on BBPC’s previous experience working with the Postal Service on a relocation and redevelopment project, the next step following an informal agreement to begin scoping the project will be to identify potential Postal Service relocation sites for the Annandale facility. This must occur at the outset. The project can only become a reality if a suitable relocation site is identified. The Postal Service

will consider sites of approximately the same size (3 acres) that provide good access for the delivery trucks. Sites in industrial parks and industrial areas are ideal, as the land costs are typically more reasonable than in commercial/residential areas. Vacant grocery stores are also a possibility, as they typically offer the same site and building specifications as required for a new postal service facility. The site will also need to be located near to the present location – as established by the Postal Service.

Following acceptance by the Postal Service of a suitable relocation site, Keating Development will prepare and present materials to the Postal Service for a new facility. Once the Postal Service has agreed to the proposal and the costs have been established for the relocation, Keating will establish a development program for the cultural center site – based on the County's Annandale Cultural Center Development Parameters.

In terms of County Review, one of the drawbacks of this site is that the Comprehensive Plan currently only allows for a maximum FAR of 0.35. A Comprehensive Plan amendment will be required to accommodate the development program for the cultural center as well as private mixed use development.

Appendix 1 Development History & Existing Conditions

1.1 Development History

The Annandale CBC was originally part of an area known as Ravensworth settled in the late 1600s by the Fitzhugh family. In possession of over 24,000 acres, the Fitzhugh family began the process of subdividing the land for tobacco farming in 1700. By 1800, Ravensworth has become the village of Annandale, and the first businesses, a stable and livery, were built at the intersection of Columbia Pike, Little River Turnpike and Backlick Road. Little River Turnpike was the third toll road in the nation, and toll houses were placed at intervals along the long turnpike - one of which is still marked where Little River Turnpike intersects with Ravensworth Road.

As with many locations in Northern Virginia, the village of Annandale was traversed on several occasions by Civil War troops. Union troops camped on the grounds of the Annandale Methodist Chapel, which they burned to the ground after leaving town. Following the war, another church building was built slightly north of the original site. The church now stands across from where Columbia Pike and Gallows Road meet.

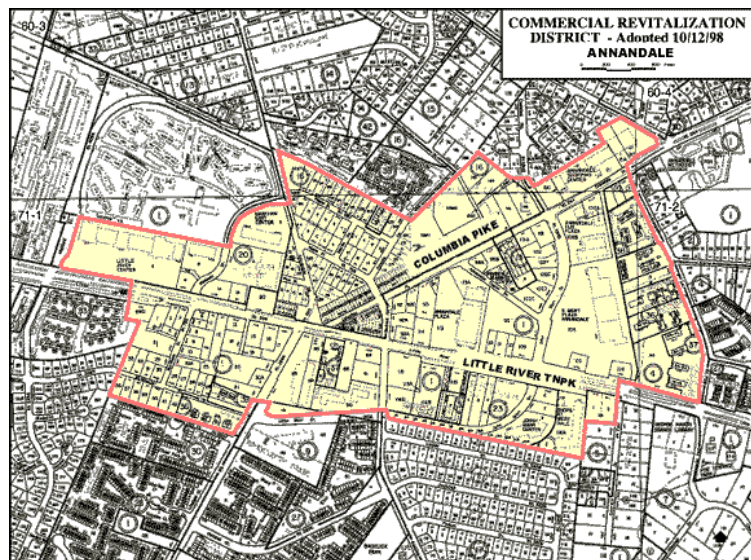
The area remained a distant Washington, DC outpost until after World War II when farms were subdivided for new residential neighborhoods to accommodate the growing Metropolitan Washington, DC population. The historic commercial core of Annandale, located at the intersection of Columbia Pike, Little River Turnpike and Backlick Road, grew in response and provided community serving retail. With the development and arrival of major retailers such as K-Mart and mid-rise office buildings Annandale was transformed from a small neighborhood into a regional Fairfax County destination.

By the 1980s, Fairfax County had continued to expand westward. Inner ring suburbs such as Annandale were beginning to experience the negative effects of this growth, struggling to find a competitive niche for their aging commercial shopping centers in light of brand new retail destinations and big box power centers in places including Tyson's Corner, Pentagon City, and Potomac Yards. As capital for real estate development followed the westward population expansion, the Annandale commercial core began to experience a degree of disinvestment, losing the community serving retail establishments it had long valued.

In response to the need for revitalization in aging commercial areas such as Annandale, Fairfax County began the process of designating specific revitalization districts and areas as eligible for special programs designed to stimulate revitalization and redevelopment of these areas in the late 1980s. This designation process was formalized in 1986 with the establishment of five Commercial Revitalization Districts, including Annandale, and two Commercial Revitalization Areas.

This program was developed to support and encourage economic revitalization

Figure 1: Annandale Commercial Revitalization District



Source: Fairfax County

and provided incentives to business and property owners to improve their area by enhancing the attractiveness of their business establishments. More focused redevelopment and revitalization guidance for the Commercial Revitalization Areas was introduced in the County's 1990 Policy Plan which provided the concept of "Community Business Centers" (CBC) which included the Annandale CBC. In addition, the Commercial Revitalization District (CRD)'s zoning category was incorporated into the zoning ordinance and is intended to encourage revitalization activities by providing greater flexibility in ordinance requirements for new (re)development and re-use opportunities.

The designation of Annandale as a Commercial Revitalization District has been accompanied by the emergence of key citizen and business groups – also formed to realize the revitalization of the Annandale CBC. These groups include the Annandale Revitalization Committee, the Annandale CBD Planning Committee, and the Annandale Chamber of Commerce. The efforts of these groups, combined with the incentives and attention provided to the area by the Commercial Revitalization District designation, have resulted in several major success stories. Improvements include streetscape investments and a general "greening" of the major roadways, such as the creation of "Tollhouse Park" commemorating the historic toll house located at the intersection of Little River Turnpike and Columbia Pike. Brick sidewalks and crosswalks, acorn lights, and standard park benches have also been installed. Funding was also obtained to underground utilities along a special two block area. The creation of the Annandale Façade Improvement Program has also been identified as a key strategy to encourage new investment.

In addition to streetscape improvements, the development flexibility afforded by the Commercial Revitalization District zoning overlay has resulted in several redevelopment projects. Provided with the flexibility to reduce their required on-site parking, the owners of 7326-7328 Little River Turnpike demolished aging and run down commercial buildings and built a new shopping center – featuring several establishments that serve the community including a Korean bakery and coffee shop.

Redevelopment projects are also in the planning stages. New owners have purchased the 11.6 acre K-Mart site and are developing plans to build a mixed use activity center featuring retail, residential, and office uses. A developer is in the process of rezoning properties located in the triangle bound by Little River Turnpike, Annandale Road, and Markham Center East for a mixed-use development.

Accompanying the new redevelopment activity, the Annandale CBC has emerged as a major center for multicultural business enterprises and property investments. Representing the greatest share of the international interest, Korean businesses and investment partnerships have transformed Annandale into an enclave of Korean grocers, entertainment venues, restaurants, and other retail goods and services. It is now a major destination in the metropolitan Washington, DC area for Asian products and services.

As a result of this new internationally oriented success, the area is now experiencing strong demand for coveted retail space. Property sales prices and rental rates have grown significantly since the early 2000s – at times exceeding \$100 per square foot for commercial land (land zoned as C-3, C-6, and C-8) since 2005. From 2002 to 2004, sales prices remained relatively steady – at \$53 per square foot in 2002 increasing to \$58 per square foot in 2004. In 2005, the average sales price jumped to \$111 per square foot. Following the end of the real estate "boom" in 2005, sales prices moderated slightly, declining to \$88 per square foot in 2006. The only recorded sale for 2007 was for \$94 per square foot. At \$88 per square foot, land sales prices are more than 100 percent above the average assessed value for commercial properties in the study area (\$43 per square foot in 2006).⁶

⁶ Source: Fairfax County Tax Assessment Database

1.2 Land Use & Building Stock

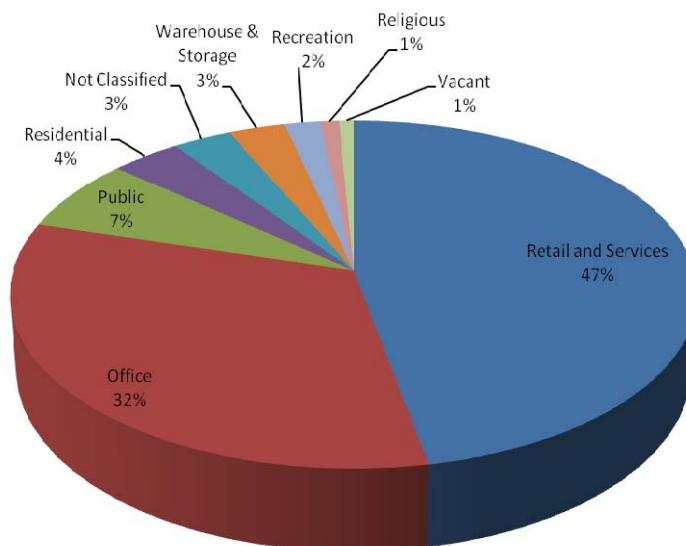
The Annandale CBC comprises approximately 179 acres (excluding road right-of-ways) in an area roughly bounded by Medford Drive to the west and Evergreen Lane to the east including all parcels adjacent to Little River Turnpike, Annandale Road, and Columbia Pike. The area is dominated by community strip malls, free standing retail establishments, and low-rise (less than 4 stories) office buildings.

Over 45 percent of the land area (or 84.17 acres) within the Annandale CBC is comprised of retail or service uses. Approximately 30 percent (or 58.41 acres) of the Annandale CBC consists of office uses, such as office condominiums, residential dwellings converted into office space, and storefront office space.

Public facilities represent the third largest category, in terms of total land area, representing almost 7 percent of the total land area, or 12.26 acres. The public facilities include the Annandale Fire Station, the Annandale Post Office, the Annandale Adult and Child Day Care Center. The remaining land area – over 24 acres - include residential areas, warehouse and storage facilities, the Annandale bowling alley, churches and religious institutions, vacant land, and land not classified.

Figure 3 summarizes the land use by number of properties and total size for the Annandale CBC.

Figure 2: Annandale Study Area Distribution of Land Uses by Land Area (2006)



Source: Fairfax County Department of Information Technology, BBPC

Figure 3: Distribution of Land Uses By # of Parcels and Land Area (2006)				
Land Use Category	# of Parcels	Percent	Land Area	Percent
Retail and Services	75	16.38%	84.17	46.94%
Office	294	64.19%	58.41	32.57%
Public	5	1.09%	12.26	6.84%
Residential	36	7.86%	6.75	3.76%
Not Classified	17	3.71%	5.66	3.16%
Warehouse & Storage	10	2.18%	5.47	3.05%
Recreation (Bowling Alley)	1	0.22%	3.41	1.90%
Religious	3	0.66%	1.79	1.00%
Vacant	17	3.71%	1.41	0.79%
Total	458	100.00%	179.33	100.00%

Source: Fairfax County Department of Information Technology, BBPC

The building stock within the Annandale CBC is wide ranging. In a few locations along Little River Turnpike, new development has followed recently implemented guidelines which promote pedestrian friendly facades and minimal street setbacks. These improvements have contributed to the “walkability” of the study area. A few of the shopping centers have undergone façade renovations within the past 10 years – notably the small shopping center located at 7326-7328 Little River Turnpike and at Little River Shopping Center. In addition, several million dollars have been spent for improvements (parking lot and interior enhancements) to the Annandale Shopping Center off of Columbia Pike, with façade improvements planned for the next few years. Despite these improvements, overall the types and condition of buildings have deteriorated through the years - predominantly comprised of one-story brick and cement block structures with uncoordinated signage and minimal curb appeal.

Office space is located in several different types of building structures. The greatest share of office space is located in several low-rise, “Class C”, garden style office complexes adjacent to Evergreen Lane. Office space is also located in several mid-rise, “Class C” office buildings scattered throughout the study area –at the intersection of Carrico Street and Little River Turnpike, at the intersection of Little River Turnpike and Evergreen Lane, two along John Marr Drive off of Backlick Road, and one at the intersection of Columbia Pike and Maple Place.⁷

1.3 Property Ownership

The Southeast Quadrant comprises a total of 458 separate parcels ranging in size from 490 square feet to 11.7 acres (K Mart property). There are a total of 331 separate owners within this area. In terms of size, most owners have small properties. For example, more than 60 percent of the property owners have less than one-quarter acre and 93 percent of the property owners have land that totals one acre or less. Within the Annandale CBC, there are only 30 owners who have properties greater than 1 acre, and only two owners have properties greater than five acres. Figure 4 summarizes the parcel size by property owners for the Annandale CBC.

Figure 4: Distribution of Land Uses By Land Area Size

Land Use Category	# of Parcels	Percent	Area (Acres)	Percent
Less than 0.25 acres	296	64.6%	34.8	19.4%
0.25 to 0.5 acres	86	18.8%	29.5	16.5%
0.5 to 1 acre	46	10.0%	32.7	18.2%
1 to 2 acres	15	3.3%	21.0	11.7%
2 to 3 acres	6	1.3%	15.8	8.8%
3 to 5 acres	7	1.5%	24.8	13.8%
5 to 10 acres	1	0.2%	9.0	5.0%
More than 10 acres	1	0.2%	11.7	6.5%
Total	458	100.0%	179.3	100.0%

⁷ According to the Urban Land Institute’s *Office Development Handbook*, Class A office space can be characterized as buildings that have excellent location and access, attract high quality tenants, and are managed professionally. Building materials are high quality and rents are competitive with other new buildings. Class B buildings have good locations, management, and construction, and tenant standards are high. Buildings should have very little functional obsolescence and deterioration. Class C buildings typically are older and smaller and have the lowest level of quality office space. These buildings are typically 15 to 25 years old but are maintaining steady occupancy.

In terms of total land area, the largest share of property (34.8 acres) is comprised of small parcels less than 0.25 acres scattered throughout the study area. Over half of the total land area (54% or a total of 97 acres) is comprised of parcels less than 1 acre in size. Only a small share, slightly over 10 acres of property, is comprised of parcels greater than 5 acres in size.

The distribution of land uses by land area highlights a key characteristic of the Annandale study area. Property ownership is extremely fragmented. A comparison with the Southeast Quadrant of the Bailey’s Crossroads Commercial Revitalization District, for which similar analysis was conducted, highlights this issue. In the Southeast Quadrant, a study area comprised of 33 acres, there are 44 separate parcels. This translates into an average parcel size of 0.75 acres. In contrast, the Annandale study area has an average parcel size of 0.39 acres (458 parcels and 179 acres). In the Southeast Quadrant, more than 60 percent of the property owners have less than *one* acre and 93 percent of the property owners have land that total *three acres* or less. This is in contrast with the Annandale study area in which more than 60 percent of the property owners have less than *one-quarter* acre and 93 percent of the property owners have land that totals *one acre* or less.

The property fragmentation represents a major challenge for revitalization. Property assembly required to amass a large enough land area for redevelopment is significantly more challenging when there are multiple properties that need to be acquired. It is more expensive, as each property owner will expect maximum compensation for their property. Furthermore, it is logistically more complicated, as property owners will wait to sell until after others have sold – so as to make acquisition of their property all the more important and thus increase the value to the buyer.

There is a wide range of types of property owners within the Annandale CBC. Individual/family owned properties comprises the largest type of property owner in the area. Nearly 70 percent of the property owners are individuals or a family who either operate a business on site or lease the property to tenants. Most of these individuals or families are located in the Metropolitan Washington, DC region. The second most common type of property owners are investment groups, such as national real estate investment trusts in which a group of investors contribute equity for the property mortgage payments and operations, maintenance, and repairs and receive regular dividends from tenant rental revenue. In some cases these investment groups are local entities with a small number of partner investors. In other cases, the investment groups are large, national companies that own multiple properties throughout the region and/or throughout the country and the investors purchase shares of the companies through mutual funds or other diversified investment vehicles. Investment groups represent almost 25 percent of all property owners.

The remaining property owners (almost 8 percent) are regional or national corporations who operate their business at the site (such as oil companies, pharmacies, and grocery stores), non-profit or governmental entities, and one real estate developer (the K-Mart site). Figure 5 summarizes the property ownership by type within the Annandale CBC.

Figure 5: Distribution of Land Uses By Ownership Entity

Land Use Category	# of Parcels	Percent	Area (Acres)	Percent
Individual/ Family	310	67.67%	77.60	43.27%
Investment Groups	112	24.45%	58.58	32.67%
Regional/ National Corporations	13	2.84%	13.00	7.25%
Non-profit/ Governmental	22	4.80%	18.45	10.29%
Real Estate Developers	1	0.22%	11.69	6.52%
Total	458	100.00%	179.32	100.00%

In terms of land area, the greatest share of property (136.18 acres or over 75 percent) is owned by individuals and families and investment groups, in many cases controlling less than 1 acre of land each. Non-profit organizations and government entities also own a significant share of the total land area – over 10 percent.

In terms of property ownership history, there is a combination of long-term ownership and recent sales transactions where the property has changed hands. Only 5.5 percent of owners have owned their property for more than 30 years (since 1967). Meanwhile, almost 55 percent of all properties in the study area have changed hands in the past 10 years. The time period 1997 to 2001 was a particularly active time period for land transfers in Annandale, as over 33 percent of the properties were purchased during that time period.

Owned Since	# of Parcels	Percent
1967 - 1976	9	2.0%
1977 - 1981	16	3.5%
1982 - 1986	26	5.7%
1987 - 1991	72	15.7%
1992 - 1996	66	14.4%
1997 - 2001	153	33.4%
2002 - 2007	97	21.2%
No Data	19	4.1%
Total	458	100.0%

The recent increase in land sales in Annandale is consistent with other trends observed in the study area. This was the time period in which Annandale's international presence grew and it became a hot market for investment by members of the Korean community. Property values also increases significantly during this time period, increasing from \$53 per square foot in 2002 to \$88 per square foot in 2006.

1.4 Zoning

The underlying zoning within the Annandale CBC is primarily a combination of different commercial zones, ranging from C-3 (Limited Office) to C-8 (Highway Commercial). The largest share of property (85.4 acres) in the study area is zoned C-6, followed by C-3 (35.5 acres). There is also a small portion of property zoned residential, primarily located in the Poplar Street neighborhood.

	Area (Acres)	Percent
C-2 (Limited Office)	12.5	7.0%
C-3 (Office)	35.5	19.8%
C-5 (Neighborhood Retail)	0.5	0.3%
C-6 (Community Retail)	85.4	47.6%
C-7 (Regional Retail)	1.9	1.1%
C-8 (Highway Commercial)	25.4	14.2%
PDH-12 (Res 12 DU/AC)	2.5	1.4%
R-4(Res 4 DU/AC)	10.4	5.8%

No Data	5.2	2.9%
Total	179.3	100.0%

The C-6 zone allows for retail commercial and service uses which are oriented to serve several neighborhoods or approximately 20,000 persons. Typical uses to be found in the C-6 District include those uses found in the C-5, Neighborhood Retail Commercial District, and in addition such uses as a variety-department store, a florist, furniture store, radio and television repair shop, such specialty stores as children's shoes, gifts, candy, lingerie, liquor, women's apparel, book store, children's wear, toys, athletic goods, and a movie theater. The maximum height limit is 40 feet and the maximum floor-area-ratio (FAR) is 0.40.

The C-3 zone allows for predominantly non-retail commercial uses such as offices and financial institutions. Other permitted uses include places of worship, funeral homes, cultural centers/museums, and telecommunication facilities. Certain community uses and commercial recreation uses, like swimming pools, tennis courts, and bowling alleys, are allowed under special permit. The maximum height limit is 90 feet and the maximum floor area ratio (FAR) is 1.00.

The C-8 zone is established to provide locations on heavily traveled collector and arterial highways for those commercial and service uses which are oriented to the automobile, or are uses which may require large land areas and good access, or do not depend upon adjoining uses for reasons of comparison shopping or pedestrian trade. The regulations of this district are designed to accommodate such uses in a manner that will minimize interference with through traffic movements and insure a high standard in site layout, design and landscaping. The maximum height limit is 40 feet and the maximum FAR is 0.50.

The Annandale CBC is located within the Annandale Commercial Revitalization District, a special overlay zoning ordinance developed in 1998, to encourage economic development activities in older commercial areas of the County. Within the Annandale Commercial Revitalization District, all uses are permitted by right in the underlying zoning district regulation (e.g. C-8 for the Annandale CBC), except vehicle transportation service establishments, which are allowed by right or by special exception under certain provisions.

The most significant provisions of the Commercial Revitalization District are as follows:

- 1) Opportunities for the Fairfax County Board of Supervisors to approve, either in conjunction with the approval of a rezoning or as a special exception, the following:
 - A modification or waiver of the minimum lot size, minimum yard and/or minimum open space requirements of the underlying zoning district regulations,
 - An increase in the amount of office use permitted, increase in the maximum permitted building height or increase in the maximum permitted FAR in accordance with the underlying zoning district regulations,
 - A use allowed by special exception in the underlying zoning district regulations, to include other applicable special exception uses,
 - A modification or waiver of the provisions of a Commercial Revitalization District, as provided for in that district, and/or
 - The establishment of a vehicle transportation service establishment in the C-8 District.
- 2) Reduction in minimum off-street parking requirements for any non-residential uses by twenty percent when it is demonstrated that such reduction is consistent with the goals of the Commercial Revitalization District as set forth in the adopted comprehensive plan.

- 3) Reduction in the front yard setbacks when it is demonstrated that site has adopted specific design guidelines set forth in the adopted Comprehensive Plan consistent with the goals of the Commercial Revitalization District.
- 4) Requirements related to landscaping and signage designed to improve the coordination and visual appearance of the Commercial Revitalization Districts.

1.5 Transportation

The Annandale CBC is located at the crossroads of three major county thoroughfares – Columbia Pike, Little River Turnpike, and Annandale Road. These roadways are major regional access providers and connect to several interstate highways, including Interstate 495 and Interstate 395/95.

The area's access is reasonably well defined – particularly given the two mile frontage on Little River Turnpike. The most significant challenges relate to the traffic flow in and around the intersection of Little River Turnpike, Columbia Pike, and Annandale Road, where regional east and westbound traffic meet with more local north and south bound traffic. Between Maple Place and Little River Turnpike, traffic on Annandale Road is one way southbound and traffic on Columbia Pike is one way northbound. This traffic pattern effectively requires the use of Maple Place, a two lane circulator Road, to cross through Annandale heading northbound and southbound. Congestion is also a significant challenge on Little River Turnpike, particularly during rush hour when regional commuters cut through Annandale to reach Interstate 495 and Interstate 395/95.

Given the regional character of Annandale's road network, the construction of a major, grade-separated flyover to improve level of service has been called for in the County's Comprehensive Plan since the 1970s. This interchange project will require widening Little River Turnpike from four lanes to six lanes. The immense cost of such a project, as well as the negative impact this project would have on revitalization efforts, have been identified as significant drawbacks to moving forward with this capital project.

In responses to the likely land use, transportation, and redevelopment implications, the Virginia Department of Transportation conducted a study of the Annandale CBC in 2005 to explore potential alternative solutions to the declining level of service in this area. A system of one-way paired streets was studied as an alternative. Under this proposal, Little River Turnpike would be converted to one-way westbound between John Marr Drive and Markham Street, and the section of the loop road south of Little River Turnpike (Markham/McWhorter/John Marr Drive) would be converted to one-way eastbound. With a one-way orientation, Little River Turnpike would not require widening to six lanes through the CBC. Under this scenario, the study found that levels of service would remain at levels comparable to the levels of service currently experienced.

As part of the 2005-2006 Fairfax County Transportation Plan Update, the County Transportation Plan still assumes widening of Little River Turnpike to 6 lanes to accommodate a grade-separated flyover at Route 236 and Annandale Road. However, the Comprehensive Plan was amended to include the alternative system of one-way paired streets as a potential option.

In addition to the recommendations for Little River Turnpike, several improvements are called for on other arterial roadways. These improvements include:

- Widen Annandale Road (Route 650) to 4 lanes.
- Close the Columbia Pike (Route 244)/Little River Turnpike intersection. Close the existing one-way section of Columbia Pike west of Backlick Road. Realign Columbia Pike to Backlick Road.
- Create new Annandale loop road system, by making the following improvements
 - replacing Maple Place with Poplar Street as the major CBC east-west connector road
 - improving Poplar Street to a standard 2 lane section and extending it to Columbia Pike to provide a complete connection between Annandale Road and Columbia Pike
 - improving the alignment of the existing Poplar/Markham Street intersection at Annandale Road to eliminate the offset
 - realigning Markham Street to McWhorter Place in a 4 lane section to complete the loop road system south of Little River Turnpike.⁸

1.6 Urban Design/Streetscape

As defined in the Fairfax County Comprehensive Plan, the urban design concept for Annandale is to facilitate revitalization of the area by enhancing its traditional functions while creating new opportunities for redevelopment and for reinvestment in existing businesses. Urban design is supported by two elements – building orientation/character and streetscape design.

Building orientation and character focuses on the scale of buildings including height and mass, setbacks, architectural form, distinctive features and placement on the site.

As described in the building stock section of this report, the quality and character of the Annandale CBC is varied. Along Little River Turnpike where redevelopment has occurred, there are examples of conformance with the Comprehensive Plan and Commercial Revitalization District guidelines which call for minimal street setbacks and orientation toward the pedestrian walkways.

The design concept for building orientation and character calls for a town center at the heart of the CBC, supported by an urban and pedestrian oriented development pattern. Guidelines encourage varying building heights and roof lines, special features such as a clock tower or entry feature, and building setbacks 15-20 feet from the street curb.

Throughout the rest of the Annandale CBC, the guidelines also call for a pedestrian oriented development pattern, encouraging a variety of building heights, façade articulation, and roof forms. The building heights should be greatest in the town center, stepping back to three stories outside of the core area. Buildings taller than three stories outside the core area should be limited to 3 stories at the front or corner building line with additional stories stepped back to accommodate a rooftop terrace or other feature.

Streetscape design includes the network of streetscape improvements (vehicle and pedestrian) consisting of street trees and other landscaping, sidewalks, street furniture, lighting and signage. Both the building character and streetscape form the urban design character of an area (undergrounding of utilities to minimize interference on the street level is highly desirable).

Along Little River Turnpike, as well as along John Marr Drive, streetscape investments have been made. The Annandale Revitalization Committee developed a streetscape design for the CBC. Applying \$6.9 million from the original Commercial Revitalization Bond Referendum approved in 1988 which included \$22.3 million for commercial revitalization projects in the County as well as Small Business Administration grant money, the County installed brick pavers, acorn lighting, standard park benches and trash receptacles, shrubbery and trees. The power lines have been placed underground in select locations.

⁸ FAIRFAX COUNTY COMPREHENSIVE PLAN, 2007 Edition AREA I Annandale Planning District, Amended through 10-23-2006

In other locations, such as along Annandale Road, Columbia Pike, and John Marr Drive south of Little River Turnpike, the streetscape could benefit from improvement. Improving the streetscape within the Southeast Quadrant is an important public sector action that can help build momentum for revitalization within the Southeast Quadrant. By creating a more pedestrian-friendly environment and showcasing public sector investment, these types of actions can facilitate private sector participation in the redevelopment and rejuvenation of areas like the Southeast Quadrant.

Future streetscape improvements should follow the guidelines set forth in the Comprehensive Plan. These guidelines address the need to accentuate the street hierarchy – to orient the pedestrian as well as the driver. The guidelines also address the desired design of pavers, lighting, signage, plantings and landscaping, and distances between the roadway, sidewalks, and building facades on primary and secondary roads.

Appendix 2 Public Policies & Plans

2.1 Fairfax County Comprehensive Plan

The primary public policy document that guides planning and (re)development within the Annandale Commercial Revitalization District is the Fairfax County Comprehensive Plan. The Comprehensive Plan consists of the Policy Plan, four Area Plans, the Plan Map and the Transportation Plan Map. The Policy Plan contains the goals, objectives and policies guide planning and development review by describing future development patterns in Fairfax County.

The County's 1990 Policy Plan introduced the concept of "Community Business Centers" (CBC) to provide more focused redevelopment and revitalization guidance for land use, urban design and transportation within certain commercial areas of the County that have shown signs of deterioration. One of these areas is the Annandale Community Business Center, a 200-acre area centered at the intersection of Columbia Pike (Route 244) and Little River Turnpike (Route 236) which contains several community- and neighborhood-serving shopping centers. The CBC area includes all but the western portion (Land Units G-1 and G-2 as defined in the Comprehensive Plan).

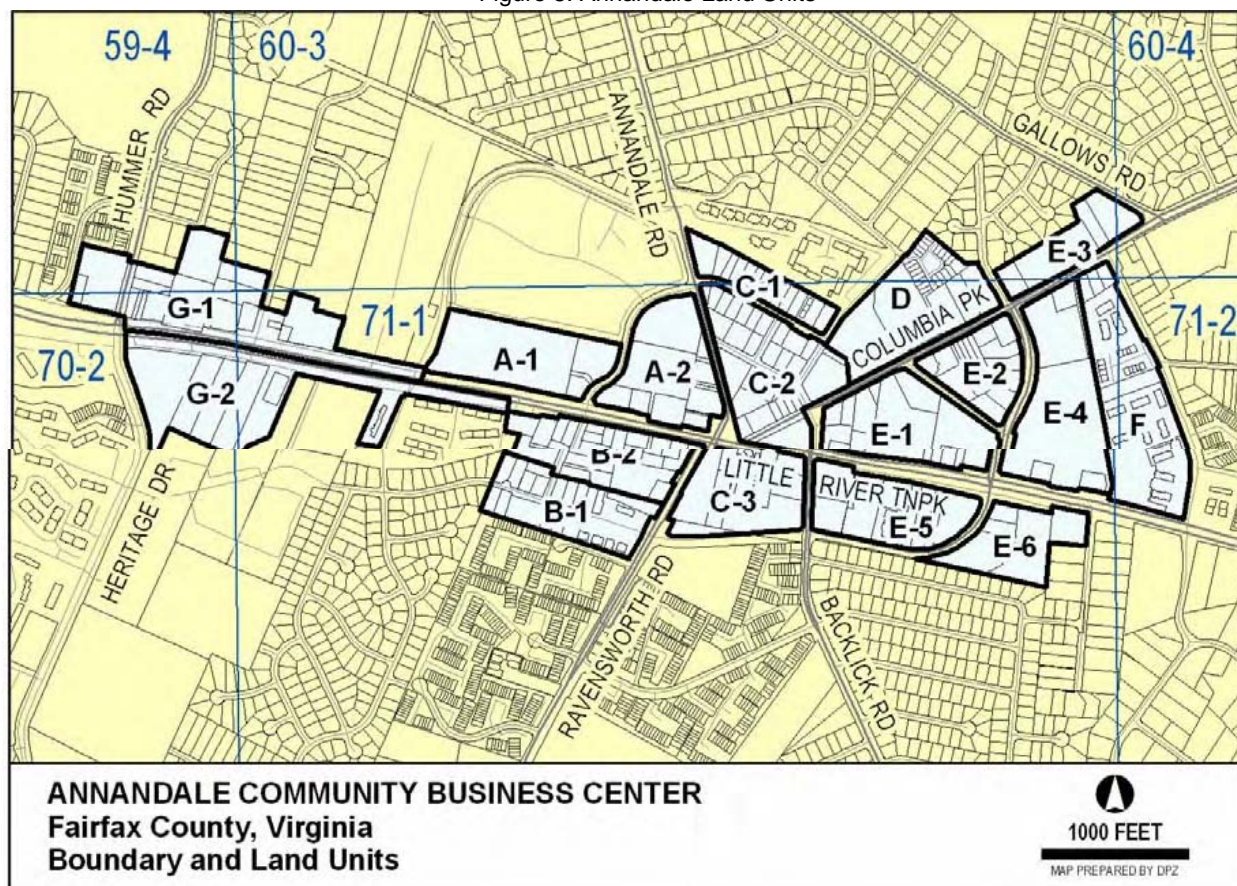
The recommendation of Annandale as a designated CBC calls for the retention, redevelopment and revitalization of community-serving retail uses. The *Concept for Future Development* for Annandale as part of the Comprehensive Plan envisions, in addition to community-serving retail uses, a mixture of neighborhood-serving retail, office, residential and recreational/cultural uses developed with a pedestrian scale and character. The planning objectives for achieving this vision include:

- Create a town center, supported by a pedestrian oriented and urban character, in the core area
- Improve the appearance and function of the CBC through coordination of land uses accompanied by the application of urban design guidelines such as building design and orientation, streetscape improvements, unified signage, landscaping and pedestrian-oriented amenities
- Retain neighborhood-serving retail uses and improve the economic vitality of these uses through commercial revitalization
- Provide transitions from more- to less-intensive uses, with buffering and screening between commercial and residential uses
- Foster future transportation improvements that positively affect planned redevelopment or revitalization activities

The planning guidance provided by the Fairfax County Comprehensive Plan's *Concept for Future Development* is one of the principal elements used in formulating Area Plan recommendations. The Concept and its associated land use guidance recommend the predominant use, character and intensity envisioned for land areas. Within the Annandale CBC, the Plan outlines specific recommendations for 17 different land units. The Plan was last amended at the end of 2006 as a result of the adoption of several Comprehensive Plan Amendments. In order to encourage redevelopment and revitalization, several of these amendments increase the maximum allowable floor area ratio (FAR) and building heights in certain land units.

The vision for the northwestern portion of the CBC, which fronts on Little River Turnpike between Markham Street and Annandale Road, is to create a town center with a mix of retail, residential, and office uses (up to a 1.5 FAR and 95 foot building height provided that several conditions are met related to the creation of a pedestrian oriented design, parcel consolidation, and streetscape improvements). This is referenced as land unit A-2.

Figure 8: Annandale Land Units



Source: Fairfax County Comprehensive Plan

The southwestern portion of the CBC (Land Unit B), facing the western town center land unit should support the town center concept. Residential development of a high quality design is encouraged, while the community serving function of the existing retail and service establishments should be retained.

The central portion of the CBC (Land Unit C) is located between Annandale/ Ravensworth Roads, to the west, and Columbia Pike/Backlick Road, to the east. It is located on both sides of Little River Turnpike and is planned as the focal point of the Annandale CBC Town Center area. Design flexibility is allowed in this area, provided that plans include pedestrian oriented, mixed use development. Provided that several conditions are met related to the creation of a pedestrian oriented design, parcel consolidation, and streetscape improvements, building height may reach 60 feet with a potential of 75 feet for a top story incorporated into an architectural roof element. Maximum FAR is 0.70.

Land Unit D is located north of Columbia Pike, south of Daniels Avenue, and west of Chatelain Road. It includes approximately thirteen acres and is developed with a variety of public and institutional uses including a church, fire station, senior center, and child care center. These uses provide a focus for community activities and should be retained. Maximum building height is 40 feet and maximum FAR is 0.35.

The eastern portion of the CBC (Land Unit E) is developed primarily with community-serving retail, business service, and small office uses. Several shopping centers, including the Annandale Shopping Center, Annandale Hub Plaza, Annandale Plaza, K-Mart Plaza, John Marr Plaza, and others are located in this area. These types of uses, plus the Annandale Post Office, provide a valuable community function

and should be retained and enhanced. Redevelopment or revitalization efforts within this land unit should provide for streetscape improvements. Provided that several conditions are met related to the creation of a pedestrian oriented design, parcel consolidation, and streetscape improvements, portions of this land unit, particularly sub unit E-2 and E-4, may be developed at significantly high densities (up to a 1.5 FAR and 90 foot building height in E-2 and E-4).

Land Unit F is located on the far eastern portion of the CBC, fronting Evergreen Lane and extends from Columbia Pike to Little River Turnpike. The land unit includes nearly 20 acres and is developed with newer townhouse-style offices and retail uses fronting on Columbia Pike. This land unit is planned for office uses with development intensity up to .50 FAR and building heights not to exceed 40 feet. Retail uses are planned up to .35 FAR for those parcels fronting on Columbia Pike. Redevelopment or revitalization efforts within this land unit should provide for streetscape improvements, parking lot landscaping, and improvements to signage and building facades.

The far western portion of the CBC (Land Units G-1 and G-2) is primarily be considered for inclusion in a future expansion of the Annandale CBC. The commercial and residential street frontage facing Little River Turnpike should ensure that the replacement, expansion, or remodeling of existing buildings as well as any future development should provide visual improvements which include provision of streetscape along Little River Turnpike. Maximum FAR on Land Unit G-1 is .50 for office uses and .35 for retail.

2.2 Commercial Revitalization Districts/Areas

In 1998, the Board designated the area comprising the Annandale CBC as a Community Revitalization District. The Fairfax County Board of Supervisors amended the Fairfax County Zoning Ordinance to create seven Commercial Revitalization Districts/Areas within Fairfax County. As part of this amendment, the Board designated the Annandale CBC as part of the Annandale Commercial Revitalization District (CRD). This designation is a special category within the County's Zoning Ordinance to encourage economic development activities in the older commercial areas of the County by providing greater flexibility within certain zoning regulations and having urban design measures such as streetscape and landscaping.

The provisions of the Commercial Revitalization Districts are intended to accommodate renovations and changes to existing developments, as well as to foster new development and redevelopment. The provisions allow flexibility for approvals for reduced yards, parking requirements, transitional and parking lot landscaping requirements, and greater building heights in certain districts consistent with the Comprehensive Plan. In addition, this overlay district establishes a new special exception use to allow consideration of all requested modifications/waivers or uses, to include requests related to site development waivers such as open space, FAR and building heights. New flexibilities allowed under this special exception use include allowing a greater percentage of office use in C-8 District and modifications/waivers of all minimum yard requirements.

While all rezoning and special exception applications must go through a two step public hearing process in Fairfax County, those accepted zoning applications located within a Commercial Revitalization District are given an expedited zoning scheduling process. For example, no motion by the Board of Supervisors or Board of Zoning Appeals (for special permit and variance applications) is required to obtain this expedited status. The scheduling of the Planning Commission and Board of Supervisors' public hearing dates for all rezoning and special exception applications will be scheduled immediately after the other so only one concurrent written legal notification is required to be completed by the applicant (instead of two separate ones).

In addition, certain development and redevelopment proposals that require a rezoning or special exception permit within a Commercial Revitalization District qualify for concurrent processing of a Comprehensive Plan amendment with the zoning application if such is necessary. The purpose of this concurrent processing is to reduce the time it takes to have amendments to the Comprehensive Plan considered which may discourage proposals that further implementation of revitalization objectives. This concurrent process is reserved for development proposals requiring a zoning application that address certain revitalization objectives, such as elimination of blighted property, increases in employment by at least 25 full-time employees, consolidation of two or more parcels totaling at least two acres or significantly advances the revitalization goals, objectives and policies as set forth in the Policy Plan element of the Comprehensive Plan.

A facilitated process has been established for the review of zoning applications located within a Commercial Revitalization District. The process utilizes a “team” approach for review of such applications with experts in the various areas of responsibility (e.g. land use, environment, transportation, public works) working together under the lead planner from the Zoning Evaluation Division. This includes facilitating a concurrent processing of a site plan with a rezoning or special exception application and addressing waivers and modifications typically related to site plans at the time of zoning approval to save time and money.

2.3 Affordable Housing

Metropolitan Washington, DC is increasingly becoming an expensive place to live.

There is an undeniable need for quality, affordable housing within the Washington, DC region. According to the Fairfax County Redevelopment and Housing Authority there are more than 27,000 families in Fairfax County that had incomes less than 80 percent of the area’s median income and have need for rental housing in the county. For example, as of February 8, 2008, the combined waiting lists for public housing and Housing Choice Voucher (HCV) programs in the county have over 6,600 families waiting for housing units and rental assistance under these programs.

Fairfax County has recently approved a number of programs to increase the number of affordable housing in the county to meet this growing demand. Homebuyers in the County can now receive financial assistance (to help with mortgages, down payments and closing costs) from two state programs through the Virginia Housing Development Authority and the Sponsoring Partnerships and Revitalizing Communities. From the development side, construction funds are available for the construction of affordable housing through the Affordable Housing Partnership Fund of the Housing Trust Fund. In addition, The Penny for Affordable Housing Fund, formerly known as the Housing Flexibility Fund, was established in FY 2006 and is designed to serve as a readily available source of funding for the preservation of affordable housing in the County. The Board of Supervisors has dedicated revenue commensurate with the value of one cent on the Real Estate Tax rate to the Preservation of Affordable Housing, a major County priority.

The County also has an Affordable Dwelling Unit (ADU) Ordinance that allows the Housing Authority to purchase up to one-third of the affordable units developed. The ADU Ordinance permits developers a density bonus of up to 10 percent for multi-family structures (less than three stories) permitted in the Comprehensive Plan. In return, the development must include a minimum of 6.25 percent affordable dwelling units. As of November 2004, more than 2,000 affordable homeownership and rental units have been sold or rented to low- to moderate-income individuals and families through this ordinance.

The County's Workforce Housing Initiative and recent amendment to the Comprehensive Plan for workforce housing in the County's Community Business Centers, High-Density Mixed use Centers, Tysons Corner Urban Center, Transit Station Areas, and Suburban Centers should also be noted. A recent Comprehensive Plan amendments allows additional density in exchange for proffers of housing affordable to households up to a maximum of 120% of the Area Median Income (AMI). To encourage the provision of Workforce Housing, development proposals may realize a bonus of up to one additional market rate unit for each proffered Workforce Housing unit as long as a minimum of 12 percent of the total number of units proposed is affordable housing. The maximum achievable bonus for the provision of Workforce Housing is 20 percent in terms of additional residential density (dwelling units per acre) or non-residential intensity (floor area ratio).

The Fairfax County Comprehensive Plan, Annandale Community Business Center contains a series of areawide recommendations for land use, and includes an affordable housing component that states *"for all development proposals with a residential component, affordable housing should be provided in accordance with the Affordable Dwelling Unit Ordinance and/or other Board-adopted policies regarding affordable housing."*

2.4 2007 Urban Land Institute (ULI) Panel

In June 2007, a special study was conducted by the Urban Land Institute to identify opportunities for revitalization in the Annandale CBC. This study identified opportunities in several areas, including the pedestrian environment, transit, transportation, future land uses, the emergence of a town center, development strategies, urban design, and implementation.

Select examples of key recommendations include creation of a two-way loop system around the core to distribute traffic, location of a civic/community uses off of Columbia Pike and in the parcels surrounded by Columbia Pike, Little River Turnpike, and Ravensworth, and development strategies such as support for catalytic projects (i.e. transit center, community center, open space, and the two-way loop system), and public financial contributions when and where appropriate (i.e. density incentives, public financing, and land banking).

Appendix 3 Demographic & Economic Profile (2006)

3.1 Demographic Trends

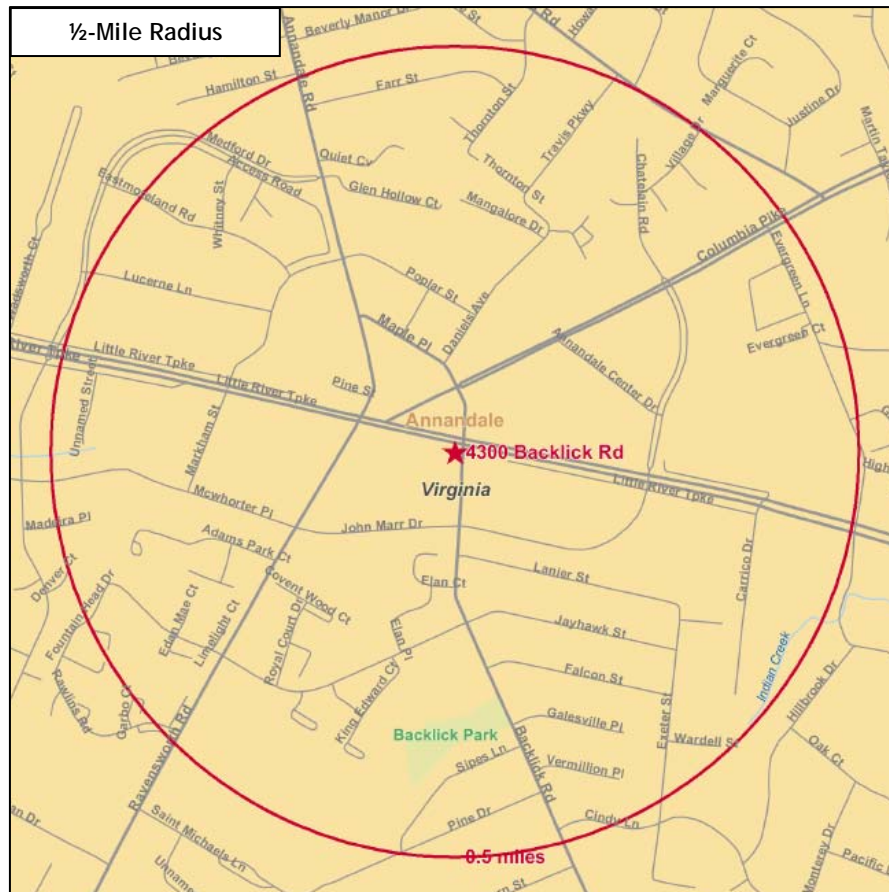
This section provides an overview of demographic characteristics and growth trends in the Annandale study area in 2006. This background information provides insight into population dynamics that can guide programming at the Annandale Cultural Center. Growth patterns can also be used to determine future needs in the community, including housing, commercial services, employment, infrastructure, and county services.

Market Areas

Demographic data is organized by three geographic areas. Information is presented for the population within a ½ -mile distance from the center of the study area (defined as 4300 Backlick Road), the Annandale Planning District, and Fairfax County.⁹

½ -Mile Population

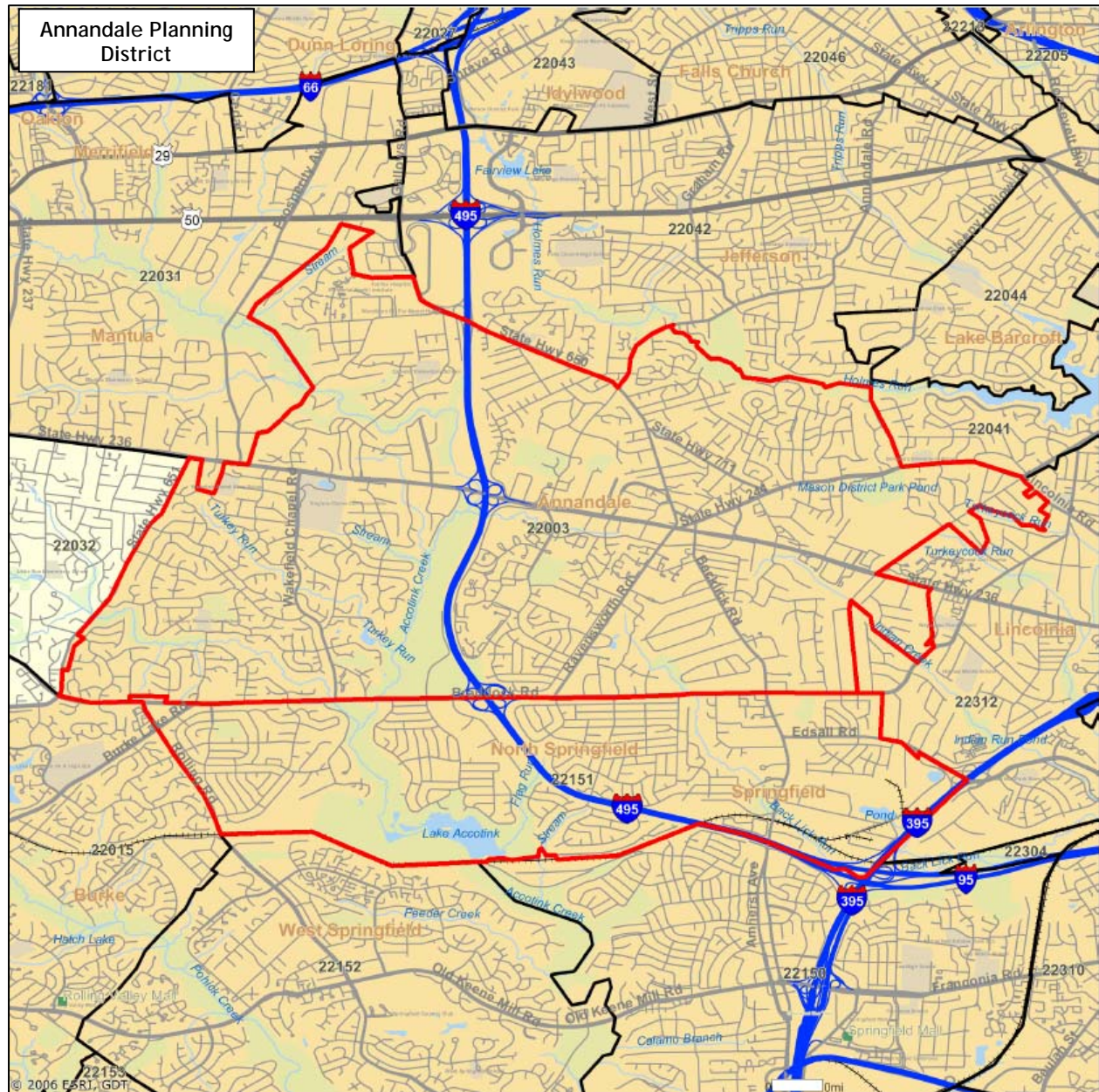
The study area (defined as the Commercial Revitalization District) itself possesses a very small residential population (under 100 persons in 2006). The ½ -mile surrounding the study area provides stronger insight into the existing residential character of the area. This area stretches as far north as Gallows Road, east to Evergreen Lane, south to Pine Drive, and west to Medford Drive.



⁹ 4300 Backlick Road is the address used by Fairfax County in creating maps of the revitalization district

Annandale Planning District

The Annandale Planning District is the planning area as demarcated by Fairfax County, and roughly corresponds to zip codes 22003 (Annandale) and 22151 (North Springfield). This district is comparable to a primary market wherein the study area most directly competes for residents and everyday consumer expenditures, and includes land within an approximately 5-minute drive from the study area. The Planning District is roughly bound to the north by Gallows Road, Annandale Road, Holmes Run Stream Valley, Sleepy Hollow Road, and Columbia Pike. To the east, it is bounded by Old Columbia Pike, Little River Turnpike, Braddock Road, Indian Run Stream Valley, and Interstate 395. To the south, it is bounded by the Southern Railroad right of way. To the west, it is bounded by Rolling Road, Braddock Road, Guinea Road, Olley Lane, and Woodburn Road.



Fairfax County

The land within Fairfax County captures the larger labor force, residential dynamics, and socioeconomic profile of which the study area is a part.

Population

Between 2000 and 2005, the ½ mile population, Planning District, and the County all experienced population growth. According to estimates, the ½ mile population grew slightly, from 5,876 to 5,933 – a growth rate of 0.97 percent. Within the Planning District, the population increased by just over 1 percent, from 70,152 to 70,981 persons. The County grew at a stronger rate of over 7 percent, adding over 70,000 new persons.

These figures indicate that the immediate area surrounding the Annandale Central Business District has grown at a slower rate than other areas of the Planning District and County; this slower growth rate may be due to the fact that the Annandale Central Business District area is largely built out.

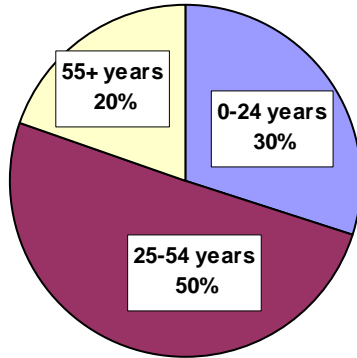
Figure 9: Population & Growth Projections Annandale Walkshed, Planning District, and County, 2000 - 2010			
Category	1/2-mile Walkshed	Planning District	Fairfax County
Population, 2000	5,876	70,152	969,749
Population, 2005*	5,933	70,981	1,041,242
Growth Rate, 2000-2005	0.97%	1.18%	7.37%
Population, 2010*	6,038	71,644	1,132,957
Projected Growth Rate, 2005-2010	1.77%	0.93%	8.81%
Source: ESRI Business Solutions, BBPC, Fairfax County Population Information *Population data provided by Fairfax County offers estimates for 2005 and 2010 for the Planning District and County and City. Population data for the 1/2-mile walkshed is estimated by ESRI and BBPC for 2006 and 2011.			

Projections for the 2005 to 2010 period suggest that the residential population will grow in Annandale and surrounding environs. Populations within ½ mile from the core of the Annandale CBC and the Planning District will experience modest growth at a rate of between approximately 1 to 2 percent. Growth will be stronger in the County, at a rate of nearly 9 percent.

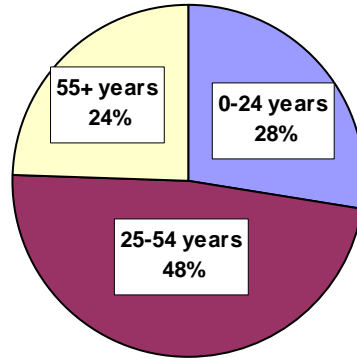
Age Distribution

In 2000, approximately 50 percent of the population within ½ mile of Annandale's core was between the ages of 25 and 54. Projections through 2011 indicate the population is aging, though young families and singles will maintain their presence. As the population ages, and the cohorts over the age of 55 grow, demand will increase for residential products targeted at retirees and seniors. At the Annandale Cultural Center, programming should consider the needs of the growing retiree and senior populations as well as the declining, but still sizable, youth population.

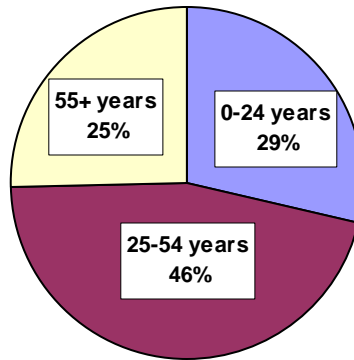
**Population by Age Cohort
1/2 Mile Walkshed, 2000**



**Population by Age Cohort
1/2 Mile Walkshed, 2006**



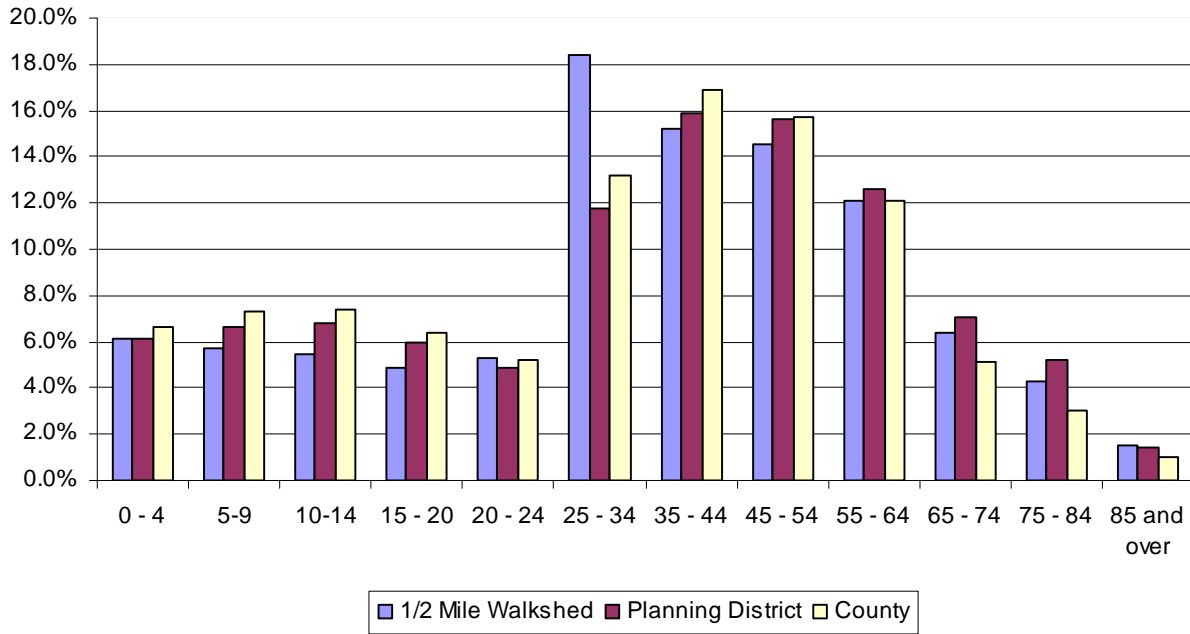
**Population by Age Cohort
1/2 Mile Walkshed, 2011**



The populations of the other two areas – the Planning District and County – exhibit similar age characteristics to those of the 1/2 mile population. In 2000, the majorities of each population were between the ages of 25 and 54. Projections through 2011 indicate each population is aging, with growth concentrated in the age cohorts above 55.

In 2006, the population within ½ mile of the Annandale core exhibited a similar age distribution pattern to that of the Planning District and County. Each population was clustered within the age range of 25 to 64. However, the population within ½ mile of the Annandale core exhibited a slightly younger age distribution in 2006 than the other areas. The ½ mile population largest age cohort was the 25 to 34 group, compared to the 35 to 44 cohorts for the Planning District, region and County.

Figure 10: Comparison of ½ Mile Age Cohorts to Surrounding Environs. 2006



Source: ESRI Business Solutions, BBPC

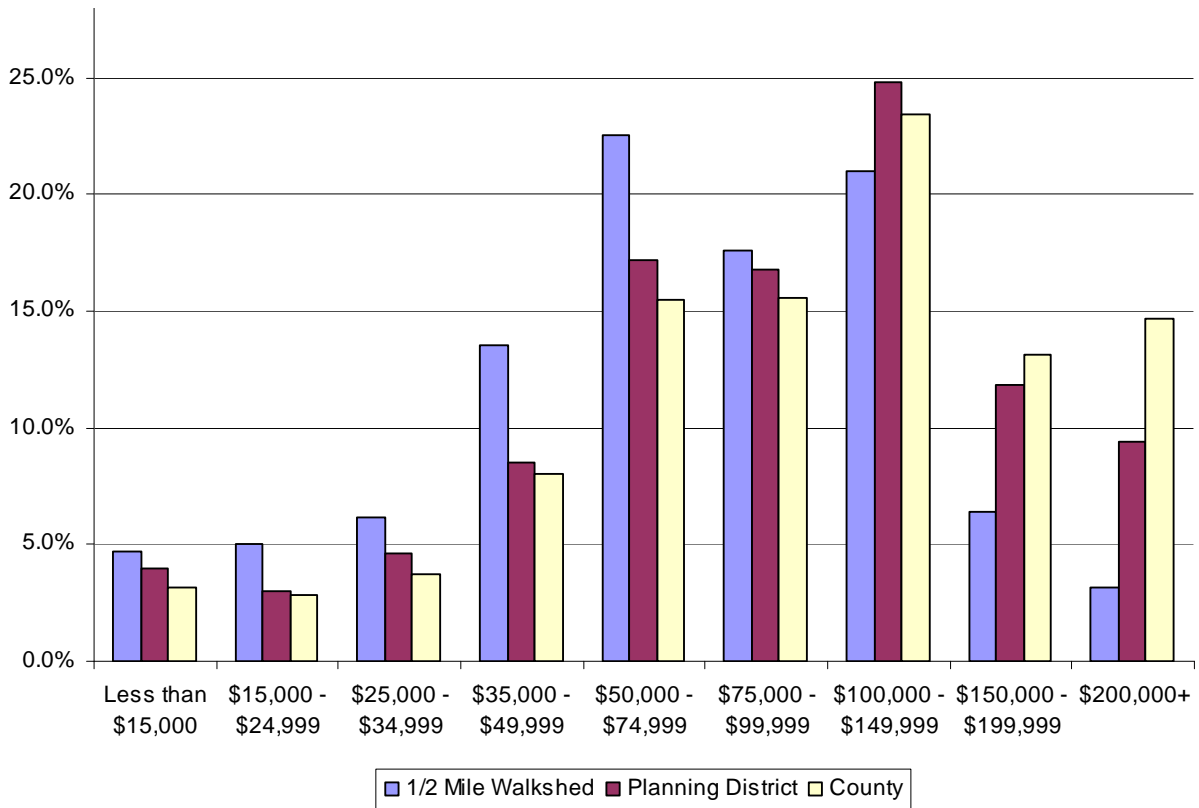
Household Income

In 2006, the median household income within the ½ mile population was estimated at \$75,522. This figure is approximately 80% of the median household income within the Planning District and 70% of the median household income within the County. The income distribution within the ½ mile population is lower than that of surrounding environs. Approximately 20 percent of the populations in the Planning District and County earn above \$150,000, compared to 9.6 percent in the ½ mile population.

Figure 11: Median Household Income Annandale ½ Mile Population, Planning District, and County, 2000 - 2010			
	1/2-mile Walkshed	Planning District	Fairfax County
Median Household Income	\$75,522	\$92,532	\$101,762
Source: ESRI Business Solutions, BBPC			

**Figure 12: Distribution of Household Income Ranges
1/2-Mile Population and Surrounding Environs, 2006**

3



Source: ESRI Business Solutions, BBPC

Race/Ethnicity

The residents within 1/2 mile of the Annandale core represent a more diverse population in terms of race and ethnicity than surrounding environs. In 2006, the 1/2 mile population had higher proportions of populations classified as Black Alone, Asian or Pacific Islander Alone, Some Other Race Alone, Two or More Races, and Hispanic Origin. The population identified as Asian or Pacific Islander Alone was particularly more prevalent in the 1/2 mile population (26.2 percent) than in the surrounding Planning District and County, as was the Hispanic population (21.8 percent). The Annandale Revitalization District is a strong location for a cultural center given the diverse population located within the 1/2 mile population.

Figure 13: Race/Ethnicity Annandale Walkshed, Planning District, Region, and County, 2006			
Category	1/2-mile Walkshed	Planning District	Fairfax County
White Alone	47.6%	62.0%	65.3%
Black Alone	10.1%	5.3%	8.6%
American Indian Alone	0.3%	0.3%	0.3%
Asian or Pacific Islander Alone	26.2%	21.3%	15.6%
Some Other Race Alone	9.9%	6.8%	5.8%
Two or More Races	5.8%	4.3%	4.4%
Hispanic Origin	21.8%	16.3%	14.3%
Source: ESRI Business Solutions, BBPC			

3.2 Employment Trends & At-Place Establishments

Job Growth

Employment growth within the metropolitan Washington, DC region and Fairfax County has sustained demand for office space within the County, including the Annandale submarket. Job growth in the region was 74,000 net new jobs over the 12-month period ending in August 2006, a 2.5 percent increase over the previous year's approximately 72,000 net new jobs.¹⁰ In Fairfax County, the number of net new jobs over the same period in 2006 was 20,764 (approximately 28 percent of the jobs created in the region), a 3.4 percent increase over the previous year's approximately 20,081 net new jobs.¹¹

While Fairfax County's job growth rate is faster than in the region, the County growth rate was slower than forecasted. Researchers at the George Mason Center for Regional Analysis had predicted job growth would occur at a rate of 4.1 percent in 2006. The slower rate of 3.4 is likely due to a slowdown in federal procurement spending, which slowed in the region from 19 percent in 2004 to 2.5 percent in 2005.

Job growth in Fairfax County is expected to range from 15,000 to 18,000 net new jobs throughout 2007, reflective of slower economic growth forecast for the region as compared with 2005 and 2006.¹² Job growth is expected to continue through 2030, resulting in long-term employment growth for Fairfax County and the region.

In the metropolitan Washington, DC region, employment is expected to increase 39 percent from 2005 (3 million jobs) to 2030 (4.2 million jobs), a net increase of approximately 1.2 million jobs.¹³ Fairfax County is expected to generate a net increase of 245,000, increasing from 600,000 in 2005 to 845,000 in 2030 (an annual net increase of 16,334 new jobs). The addition of 245,000 new jobs is the highest net increase projected for any metropolitan area jurisdiction. Fairfax County will maintain its competitive regional position and is projected to generate 20 percent of all jobs created in the Washington, DC region

¹⁰ Delta Associates, 2006.

¹¹ "Fairfax County Economic Index," Fairfax County Economic Development Authority, September 2006.

¹² Ibid.

¹³ "Growth Trends to 2030: Cooperative Forecasting in the Washington Region," Metropolitan Washington Council of Governments, 2006.

through 2030.¹⁴ Figure 14 illustrates projected employment growth by geographic area in the metropolitan Washington, DC region.

Figure 14: Projected Employment Growth by Geographic Area in Thousands 2005-2030 (All Jobs)						
	2005	2015	Percent Increase (2005-2015)	2030	Percent Increase (2015-2030)	Percent Increase (2005-2030)
Metropolitan Washington, DC	3,050	19%	3,619	4,326	20%	42%
Northern Virginia	1,238	25%	1,550	1,890	22%	53%
Fairfax County	600	22%	729	844	16%	41%
Loudoun County	122	50%	183	271	48%	122%

Source: Metropolitan Washington Council of Governments

Employment & Establishments by Industry

In 2006, the study area (defined as the Annandale Revitalization District) had approximately 534 business establishments with an estimated 3,636 employees. The top three industries by number of establishments represent appropriate business types for a mixed-use, pedestrian-friendly revitalization district: service industries, retail trade businesses, and finance, insurance and real estate businesses (FIRE).

Service industries dominate the area's businesses, with nearly 44 percent falling under this category. Retail trade businesses were the second most prevalent industry type, representing 24 percent of all businesses in the study area. Finance, insurance, and real estate businesses (FIRE) were the third most prevalent business type at 15.5 percent of all establishments. These three sectors also employed the largest proportions of employees; approximately 1,275 employees worked for service businesses, nearly 1,100 for retail trade businesses, and just over 600 for finance, insurance, or real estate firms. Figure 15 summarizes business establishments and employment by industry; industries that are appropriate for a mixed-use, pedestrian-friendly revitalization district have been highlighted.

¹⁴ According to researchers at the George Mason Center for Regional Analysis, as reported by *The Examiner* in August 2006.

**Figure 15: Business Establishments & Employment by Industry
Annandale Revitalization District, 2006**

Industry	Study Area Industry Establishments	Share of Study Area Establishments	Study Area Industry Employment	Share of Study Area Employment
Agriculture & Mining	4	0.7%	45	1.2%
Construction	21	3.9%	240	6.6%
Manufacturing	5	0.9%	12	0.3%
Transportation	14	2.6%	149	4.1%
Communication	9	1.7%	46	1.3%
Electric, Gas, Water, Sanitary Services	0	0.0%	0	0.0%
Wholesale Trade	16	3.0%	25	0.7%
Retail Trade	128	24.0%	1,096	30.1%
FIRE*	83	15.5%	608	16.7%
Services	234	43.8%	1,275	35.0%
Government	5	0.9%	131	3.6%
Other	15	2.8%	12	0.3%
Totals	534	100.0%	3,639	100.0%

Source: ESRI Business Solutions: BBPC

*Finance, Insurance, Real Estate

As Figure 15 suggests, for each industry in the Annandale Revitalization District, employment share is generally approximate to the share by type of total establishments. For example, the retail trade industry provides 24 percent of all establishments in the study area, and provides just over 30 percent of total employment in the Revitalization District.

The Annandale Revitalization District, compared to the Annandale Planning District, has greater than expected levels of employment (identified by location quotients above 1.0) in five industry sectors. Figure 16 summarizes employment location quotients for the Annandale Revitalization District, which are derived from comparing levels of employment in the study area to the broader Planning District. With 1.3 percent of at-place employment, the Communication industry captures nearly three times (2.80) the expected employment given the Planning District's distribution. Retail trade, with 30% of at-place employment, captures 1.75 times the expected employment. FIRE (Finance, Insurance, Real Estate), Transportation and Government also exhibited larger than expected shares of employment, with 11.4, 2.9, and 1.4 percent respectively.

With less than their share of expected employment in the Annandale Revitalization District, a number of industries are underrepresented in the study area. As one would expect, Agriculture & Mining, Manufacturing, Electric, Gas, Water & Sanitary Services, Wholesale Trade, and Services each employed far fewer than their expected number of employees in 2006; each of these sectors had a location quotient less than 0.75. While several of these employment categories are not appropriate for a pedestrian-friendly

revitalization zone (e.g. Agriculture & Mining, Manufacturing), the Services category, which includes civic and nonprofit organizations, would be an appropriate match for a revitalization district and offers the potential to meet the needs of the local diverse population.

**Figure 16: Industrial Employment Location Quotients
Annandale Revitalization District, 2006**

Industry	Study Area Industry Employment	Share of Study Area Employment	Planning District Industry Employment	Planning District Share of Employment	Study Area Location Quotient
Agriculture & Mining	45	1.2%	409	1.8%	0.70
Construction	240	6.6%	1,521	6.6%	1.00
Manufacturing	12	0.3%	1,003	4.4%	0.08
Transportation	149	4.1%	660	2.9%	1.43
Communication	46	1.3%	104	0.5%	2.80
Electric, Gas, Water, Sanitary Services	0	0.0%	400	1.7%	0.00
Wholesale Trade	25	0.7%	380	1.6%	0.42
Retail Trade	1,096	30.1%	3,960	17.2%	1.75
FIRE*	608	16.7%	2,631	11.4%	1.46
Services	1,275	35.0%	11,600	50.3%	0.70
Government	131	3.6%	316	1.4%	2.63
Other	12	0.3%	69	0.3%	1.10
Totals	3,639	100.0%	23,053	100.0%	1.00
Source: BBPC, ESRI Business Solutions					
* Finance, Insurance, Real Estate					

Office employment growth will likely outpace other types of employment growth in the Annandale submarket through 2012, as indicated by trends projected for the Northern Virginia market by the Virginia Employment Commission. By 2010, all industries (including office and non-office based industries) are expected to grow by 24.2 percent. Several office-based industries are expected to grow faster than this average, including: financial activities (28 percent); professional and business services (35.6 percent); and education and health services (35.8 percent). This faster pace of office-based employment growth will provide increased demand for office space relative to space for other employment types. Figure 17 documents projected growth in office employment by industry sector for Northern Virginia.

**Figure 17: Projected Growth in Office Employment by Industry Sector
Northern Virginia, 2002-2012**

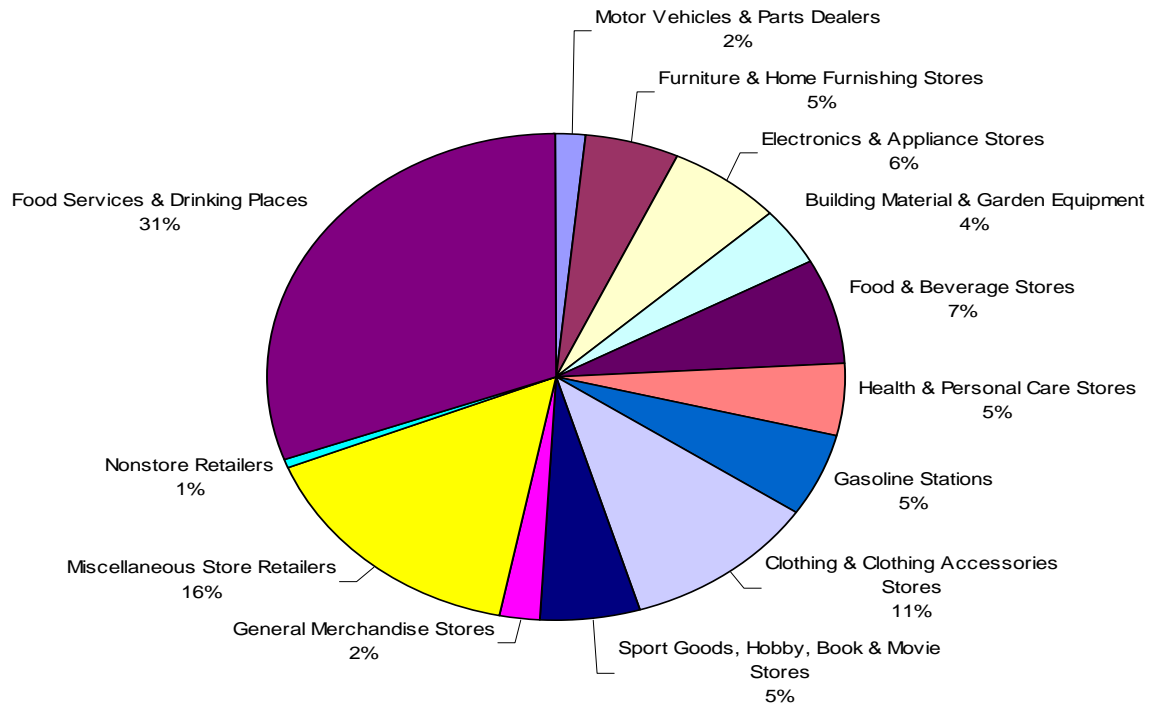
Industry Type	Employment (2002)	Projected Employment (2012)	Total Employment Change	Annual Average Percent Change	Total Percent Change (2002-2012)
Information	60,399	77,288	16,889	2.5%	28%
Financial Activities	53,718	60,430	6,712	1.18%	12.5%
Professional and Business Services	260,055	352,718	92,663	3.09%	35.6%
Education and Health Services	141,197	191,733	50,536	3.11%	35.8%
Government	107,011	111,867	4,856	0.44%	4.5%
All Industries	1,010,969	1,255,229	244,260	2.19%	24.2%

Source: Virginia Employment Commission, Projections Team and Bureau of Labor Statistics

3.3 Retail Establishments & Retail Sales

The Annandale Revitalization District contained an estimated 128 retail businesses in 2006. Top retail categories included food services & drinking places (31 percent), miscellaneous store retailers (16 percent; this category includes florists, office supply/stationary and gift stores, used merchandise stores, and other miscellaneous retail stores), and clothing & clothing accessories stores (11 percent). Figure 18 summarizes the distribution of retail establishments by category.

Figure 18: Retail Businesses by Category



The 128 Retail Trade establishments in the study area had an estimated \$212 million or \$1.6 million per establishment in sales in 2006. The nine Food and Beverage Stores dominated the market, with 37.6 percent of total sales. The seven Gasoline Stations captured an estimated 22.1 percent of total sales, followed by the 39 Food Services & Drinking Places with 17.7 percent. Figure 19 summarizes estimated retail sales for retail and eating & drinking establishments within the Annandale Revitalization District in 2006.

**Figure 19: Estimated Retail Sales Comparison:
Retail and Eating & Drinking Establishments
Annandale Revitalization District, 2006 (2006 Constant Dollars)**

Retail Category	Number of Establishments	Retail Sales	Sales per Establishment	Percent of Total Sales
Motor Vehicles & Parts Dealers	2	\$1,149,089	\$574,545	0.5
Furniture & Home Furnishing Stores	7	\$3,644,072	\$520,582	1.7
Electronics & Appliance Stores	8	\$2,013,015	\$251,627	0.9
Building Material & Garden Equipment	5	\$3,159,878	\$631,976	1.5
Food & Beverage Stores	9	\$79,994,353	\$8,888,261	37.6
Health & Personal Care Stores	6	\$6,061,052	\$1,010,175	2.8
Gasoline Stations	7	\$46,931,119	\$6,704,446	22.1
Clothing & Clothing Accessories Stores	14	\$4,336,260	\$309,733	2.0
Sport Goods, Hobby, Book & Movie Stores	7	\$2,412,000	\$344,571	1.1
General Merchandise Stores	3	\$23,216,156	\$7,738,719	10.9
Miscellaneous Store Retailers*	20	\$2,132,689	\$106,634	1.0
Nonstore Retailers	1	\$11,208	\$11,208	0.0
Food Services & Drinking Places	39	\$37,636,540	\$965,039	17.7
Total	128	\$212,697,431	\$1,661,699	100

Source: ESRI Business Solutions, BizStats, BBPC

*Includes florists, office supplies, stationary, gift stores, used merchandise stores, and other miscellaneous store retailers.

Appendix 4 Market Overview

4.1 Office Market

The Annandale office market is a sub-market within the larger Fairfax County, Northern Virginia, and metropolitan Washington, DC office markets, and is influenced by trends within these broader market areas.

Figure 20 offers a “snapshot” of the current office market activity to provide an indication of how the Annandale office submarket compares with the broader geographic markets of which it is a part. Total inventory of rentable office space in this submarket was nearly 6 million in 2006, representing 1.8 percent of the total 311 million square feet of rentable office space in the metro area.

Market	Rentable Area (Square Feet)	Direct Vacancy Rate%	Net Absorption YTD (Square Feet)	Total Under Construction (Square Feet)	Average Asking Lease Rate \$ SF/YR Class A
Metropolitan Washington, DC	311,170,576	7.6	4,488,411	15,317,955	\$32.80
Northern Virginia	138,362,964	8.7	2,102,514	6,655,796	\$30.00
Total Fairfax County	83,156,041	8.6	1,315,526	2,915,787	\$28.54
Annandale/Falls Church/I-395	5,865,287	7.9	38,867	85,000	\$26.60

Source: GVA Advantis: Washington, DC Metropolitan Area Market Review: Office

The vacancy rate in the Annandale submarket is lower than in Northern Virginia and Fairfax County, suggesting slightly stronger demand for space in this submarket than other Northern Virginia and County submarkets. This submarket also offers a more competitive average lease rate per square foot for Class A space than the broader geographic area markets, which may offer the Annandale submarket an opportunity to capture tenants seeking more affordable space than available in other submarkets.

Metropolitan Washington, DC Office Market

Fueled by low unemployment (3.5 percent compared to 4.8 percent in the nation) and a high proportion of office-using jobs, the metropolitan Washington, DC office market has been one of the strongest in the country over the past few years. However, in 2006, some economists cautioned that the regional office market could be becoming overbuilt, with significant amounts of space under construction and sluggish absorption.¹⁵

As of the third quarter of 2006, there was more than 18.4 million square feet of office space under construction in the region, with 41 percent pre-leased. Based on trends in office absorption through the third quarter of 2006, the region’s market absorption is expected to total 6 million square feet for 2006, falling below the projected need for 7.2 million square feet based on net job growth.¹⁶

¹⁵ Delta Associates, 2006.

¹⁶ “The Growing Disparity Between Job Growth and Office Absorption: Washington Metro Area,” Delta Associates, 2006.

Economists suggest the lagging absorption is due to several factors related to a transition in the economy from expansion during 2004 and 2005 to contraction during 2006. During the expansion phase, vacancy rates fell and rents rose; some tenants responded by leasing more space than needed out of concern that they obtain enough space to suit their future space needs and budget. Developers responded to low vacancy rates and increased rents by breaking ground on more office projects.

As the economy moved into the contraction phase in 2006, tenants became more cautious about leasing space. This caution has contributed to decreases in pre-lease rates; in 2004, 66 percent of delivered space was pre-leased, in 2005, 59 percent, and in 2006, 41. The economic contraction has also resulted in the slower absorption rate relative to job growth in 2006. However, the metropolitan Washington, DC office market is expected to enter an expansion period over the next several years, as 2007 will serve as a recovery period.

Although absorption slowed in 2006, average asking rents increased 1.6 percent in 2006, albeit at a slower pace than in 2005, when rents increased 2.7 percent.¹⁷ Average rents per square foot in the metropolitan Washington, DC market as of the third quarter of 2006 were \$31.62 per square foot.¹⁸

Northern Virginia Office Market

The Northern Virginia office market comprises 138 million square feet of leasable space.¹⁹ Dominant tenant types include private sector government contractors and businesses that support these contractors, including consulting and accounting firms, as well as information technology firms and public sector government agencies. For security purposes, many of the private sector contractors are single-tenant occupants, and as a result were more likely to lease more space than needed during the expansion period of 2004 and 2005 than other office space users.²⁰

Net absorption of office space in Northern Virginia from 1997 to 2006 averaged 4.3 million square feet per year. Figure 21 shows the changes in demand over this time period against the direct vacancy rate per year. Absorption levels were their highest in 1999 and 2000 and dropped off after 2001.²¹ Absorption returned to above average levels in 2004, with net absorption at 6.6 million square feet in that year, and in 2005 just exceeded the long-term average with 4.5 million square feet absorbed.

Office space absorption in 2006, based on absorption to date, was expected to approach 3 million square feet by year-end 2006, falling short of the long-term average. This slowdown in the absorption rate is likely attributable to the economy's transition toward a contraction period in 2006, as discussed above. Meanwhile, the vacancy rate remained stable in 2006 compared to 2005 with a direct vacancy rate of approximately 8 percent.

¹⁷ "Growing Disparity," Delta Associates, 2006.

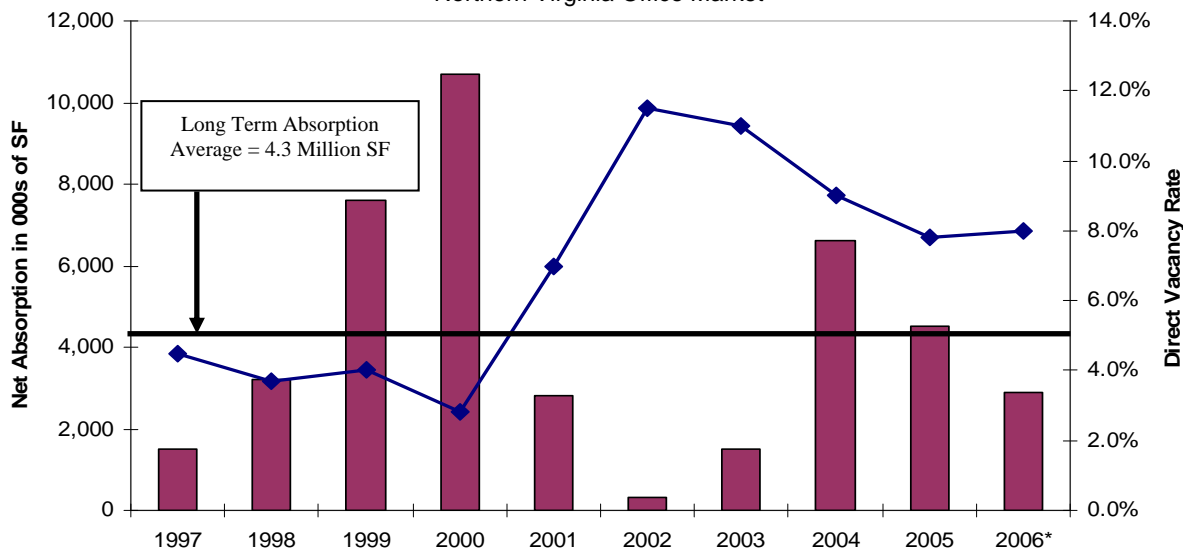
¹⁸ "Washington, DC Metropolitan Area Market Review: Office," GVA Advantis, Third Quarter 2006.

¹⁹ Ibid.

²⁰ "Growing Disparity," Delta Associates, 2006.

²¹ "Transwestern Market Outlook: Northern Virginia, Third Quarter 2006," Transwestern, 2006.

Figure 21: Office Space Absorption and Vacancy Levels (1997-2006)
Northern Virginia Office Market



Source: Transwestern Market Outlook Third Quarter

Fairfax County Office Market

The Fairfax County office space market comprises 83.2 million square feet, representing 60 percent of the total Northern Virginia inventory.²² Net absorption of office space in Fairfax County was 1.3 million square feet as of the third quarter of 2006, and could reach 1.7 million square feet by the end of the year.²³ The 1.7 million square feet represents nearly 60 percent of the total absorption level of 3 million square feet projected for Northern Virginia, suggesting absorption in the County is occurring at a level appropriate to the County’s total inventory of space relative to the Northern Virginia inventory. The direct vacancy rate for Fairfax County was 8.6 percent as of the third quarter of 2006, roughly equivalent to the direct vacancy rate reported for Northern Virginia of 8.7 percent.²⁴

Fairfax County will need to add between 2.9 million to 3.5 million square feet of office space to its inventory annually to meet the projected annual addition of 15,000 to 18,000 new office jobs.²⁵ Replacement of existing inventory also contributes to office market demand. The large and aging inventory creates opportunity for additional new construction. A conservative one percent per year replacement of supply creates an annual demand for approximately 830,000 square feet.

There is currently 2.9 million square feet of office space under construction in Fairfax County, which could supply enough space for 15,000 new workers added through 2007.²⁶ Nearly 24 percent of this space under construction is pre-leased, reflective of a high degree of speculative construction activity in the County. In comparison, in Northern Virginia 6.7 million square feet of office space was under construction as of the third quarter of 2006, and 33.8 percent was pre-leased. Fairfax County appears to have higher levels of speculative construction than in the Northern Virginia region.

²² “Washington, DC Metropolitan Area Market Review: Office,” GVA Advantis, Third Quarter 2006.

²³ Assuming the net absorption pattern established in the first three quarters (an average of 0.4 million square feet absorbed per quarter) continues through the year end.

²⁴ GVA Advantis, 2006.

²⁵ Assuming each worker occupies 192 square feet, the average amount of space per worker reported by Delta Associates for the Washington metro area in 2006 (see “Growing Disparity”).

²⁶ GVA Advantis, 2006.

Annandale

Annandale is part of the Annandale/Falls Church/I-395 office submarket, one of the smaller office submarkets in terms of total supply of office space. This submarket offered an estimated 5.8 million square feet of rentable inventory as of third quarter 2006.

Within the Annandale/Falls Church/I-395 submarket, Annandale alone contains an inventory of approximately 1 million square feet of rentable office space, or roughly 1.2 percent of Fairfax County's total inventory of 83 million square feet. Adding office condominiums and other owner occupied buildings, Annandale's inventory rises to 1.8 million square feet of office space distributed throughout 87 properties, or roughly 1.8% percent of Fairfax County's total estimated inventory of 101 million square feet.²⁷

Major employers in Annandale include Northern Virginia Community College, Securitas Group, U.S. Investigations Service, Contemporary Nursing Solutions, Anteon, Federal Management Systems, and LT Services. Several of these major employers are federal government contractors.

The Annandale commercial condominium submarket remained one of the strongest in sales through the first half of 2007. As of mid-year 2007, the Fairfax County Economic Development Authority reported Annandale as the county's third strongest submarket for office condominium sales. Annandale contributed to 14 percent of the total countywide condominium sales. Favorable interest rates, conversions of older office spaces to condominiums, and sustained condominium construction contributed to the growth in sales activity. However, it is anticipated that County wide the commercial condominium market will experience a downturn as a result of lack of available existing inventory in conjunction with a dramatic decrease in new development.

Conclusions

Recent and projected trends in regional and immediate office market areas surrounding the Annandale revitalization district indicate there are a number of strengths, constraints, and opportunities related to further office development in this district.

Trends in the Annandale submarket and the region indicate there will be continued demand for office development over the next five years. These trends include:

- Employment growth projected for the region and Fairfax County; and
- Faster growth rates for office-based employment than all employment types.

Potential competitive advantages to help increase demand for office space in Annandale include:

- Competitive pricing near the median \$26 rental rate per square foot in the Annandale submarket;
- Pre-leasing of projects to specific potential tenants, such as government agencies or government-related contractors, in advance of construction to gain a competitive edge over speculative office projects in the Annandale submarket and other parts of Fairfax County;
- Locational advantages, including Annandale's proximity to Washington, DC and easy access to the Capital Beltway (I-495);
- Infrastructure improvements, including streetscape enhancements;

²⁷ Fairfax County Economic Development Authority and Jones Lang LaSalle (First Quarter 2006)

- Planned mixed-use developments that will introduce retail and dining options appealing to office employees, and offer an opportunity for employees to live near their work; and
- Planned community/cultural amenities, such as the proposed Annandale Cultural Center.

4.2 Retail & Business Services Market

General Retail

The Metropolitan Washington DC retail market has experienced sustained growth in 2006, attributable to an economy characterized by high disposable income levels, strong job growth, and a shortage of available space for rent. These economic factors have contributed to high rental rates and pad site sales prices. According to Grubb & Ellis' *Retail Market Trends Summer 2006* report, the Metropolitan Washington DC retail market at mid-year 2006 was among the top five performers in terms of rental rates, trailing only New York, San Francisco, San Jose, and Orange County, California. Rental rates for in-line shop space averaged \$41.59 per square foot in the Washington DC area. Delta Associates, in the 2006 edition of their annual *TrendLines: Trends in Washington/Baltimore Real Estate* noted that rental rates rose 22 percent for grocery-anchored retail spaces in 2005. This firm predicted that rates will continue to rise throughout the remainder of 2006. Vacancy rates for these and other retail spaces began stabilizing in 2005 after several years of decreases.

The Washington DC market led the nation in prices for pad sites, which are defined as vacant land suitable for banks, restaurants, drug stores, and other uses adjacent to malls or shopping centers. Pad site prices averaged \$85 per square foot in the Washington DC market; the second highest pad site prices were found in Orange County, California, at \$62.67 per square foot. Rising rents and prices in the Washington DC market were attributed to a lack of available space throughout the region.

While grocery-anchored retail spaces exhibited high demand in 2005, mixed use and lifestyle centers also gained popularity. According to Grubb & Ellis, mixed use and lifestyle centers that combine retail, dining, residential, entertainment, hotel and/or office uses are becoming more familiar and attractive to investors. In the Washington DC market, a number of major new projects planned or under construction are incorporating mixed use elements into their designs. Developers are combining multiple attractions in projects such as National Harbor in Prince George's County, the Village at Leesburg, and the Ballpark District in Washington DC. High-end grocers, such as Trader Joe's, Harris Teeter, Wegman's, and Whole Foods, are a key anchor in many projects.

Vacancy rates in the Northern Virginia retail market decreased in 2005, albeit at a slower rate than in the preceding three years, indicating the vacancy rate will stabilize around 3 percent during 2006. Vacancy rates are lowest for grocery-anchored retail spaces in Northern Virginia; in 2005, they maintained a constant 2.8 percent, the same rate as 2004. Investors have recognized the strong demand for grocery-anchored retail space, and by year's end of 2006, 19 new grocery stores will have been constructed. Retail in Northern Virginia, as in the entire Metropolitan Washington DC market, is expected to remain strong through 2006, with stable, low vacancy rates and rising rental rates. Job and income growth will support sustained retail demand through the year's end.

The Annandale retail submarket consists of 48 properties totaling over 2 million square feet of retail space, representing nearly 10 percent of the total retail inventory of 33.8 million square feet in Fairfax County. Convenience, freestanding, community and neighborhood retail centers are the most prevalent center types in Annandale. The majority of Annandale's retail centers are more than 25 years old, and tenants include both national retailers and independent mom and pop shops. The Annandale Commercial Revitalization District includes a cluster of ethnic businesses that cater to the regional Korean community. Figure 22 summarizes the retail market inventory by property type in Annandale and Fairfax County.

**Figure 22: Retail Market Inventory by Property Type
Annandale and Fairfax County (2006)**

Type	Annandale			Fairfax County		
	Number	GLA (Sq. Ft.)	Percent GLA	Number	GLA (Sq. Ft.)	Percent GLA
Community	9	865,012	42%	121	13,801,730	41%
Convenience	14	118,752	6%	92	775,349	2%
Freestanding	12	208,279	10%	135	2,952,722	9%
Hybrid	1	47,986	2%	30	709,139	2%
Neighborhood	8	220,625	11%	75	2,222,839	7%
Regional	1	465,564	23%	17	6,882,452	20%
Specialty	3	112,138	6%	15	689,139	2%
Super Regional	-	-	-	4	5,824,007	17%
<i>Under Construction*</i>	-	-	-	15	907,702	-
Total	48	2,038,356	100%	489	33,857,377	100%

* Under construction figures not included in totals

Source: Fairfax County Economic Development Authority

The retail market inventory in the Annandale submarket includes nine community shopping centers comprising over 860,000 square feet of space. Fourteen convenience centers offer over 100,000 square feet of space, and 12 freestanding centers provide over 200,000 square feet of space. Several of the largest centers are located in the Annandale Commercial Revitalization District, including the 135,939 square-foot Little River Center, the 133,596 K-Mart Plaza, and the 79,152 square-foot Annandale Shopping Center. Table X summarizes selected examples of retail inventory by property in Annandale (properties greater than 25,000 square feet of gross leasable area).

**Figure 23: Selected Examples of Retail Inventory
Annandale Submarket (2006)**

Name	GLA (sq. ft.)	Type
Plaza at Landmark	465,564	Regional
Bradlick Shopping Center	159,295	Community
Little River Center	135,939	Community
K-Mart Plaza	133,596	Community
Home Depot	102,341	Freestanding
Barcroft Plaza	89,750	Community
Annandale Plaza	76,690	Community
Annandale Shopping Center	79,152	Community
Brighton Mall	65,830	Community
Pincrest Plaza	63,939	Community
Heritage Mall	57,821	Community
Sport & Health Club	51,420	Specialty
Seoul Plaza	47,986	Hybrid
Annandale Hub Plaza	45,040	Neighborhood
AMF Annandale Lanes	41,226	Specialty
6531 Little River Turnpike	36,036	Neighborhood
Great World Plaza	34,670	Neighborhood
John Marr Center	25,085	Neighborhood
Total	1,711,380	

Note: Includes those retail centers 25,000 square feet or larger of gross leasable area
Source: Fairfax County Economic Development Authority

Warehousing/Self Storage

The Annandale Commercial Revitalization District includes two self-storage properties totaling nearly 76,000 square feet. The larger of these two properties, the 43,640 square-foot Public Storage property is located on Backlick Road. These properties occupy 4 land acres, or 2.3 percent of the approximately 175 acres in the Annandale Commercial Revitalization District.

**Figure 24: Self Storage
Annandale Revitalization District (2006)**

Name	Building (Sq. Ft.)	Land Area (Acres)	Land Area Percent of Total District*
Public Storage (Backlick)	43,640	2.3	1.3%
Public Storage (Ravensworth)	32,271	1.8	1.0%
Total	75,911	4.1	2.3%

*Based on a total land area of approximately 175 acres
Source: Fairfax County Economic Development Authority

Retail Market Conclusions

The retail markets in Annandale and Fairfax County, like the broader Metropolitan Washington DC and Northern Virginia markets, are strong with stable, low vacancy rates and rising rents. Projections of employment and household growth will fuel demand for retail goods and services, as new employees and households are brought to this submarket. With retail space in high demand, opportunities for new construction are positive. Spaces within grocery-anchored centers or mixed use centers in particular exhibit strong demand.

A variety of strategies may be employed to enhance retail growth in the Annandale revitalization district:

- Pursue mixed-use redevelopment opportunities that introduce new households and employees to the revitalization district;
- Increase foot traffic through special events and community programming at the proposed Annandale Cultural Center; and
- Include marketing/retail business inventory information at the Cultural Center (e.g. maps, brochures, etc.).

4.3 Residential Market

The residential market analysis evaluates the apartment, condominium, and single family housing markets in Metropolitan Washington D.C., Northern Virginia, Fairfax County, and Annandale. While less acute than in other regions, the recent national housing market downturn (2007-2008) has affected the Washington Metropolitan Area as well: as of January 2008, housing sales in Northern Virginia declined almost 30 percent and the median price fell 3 percent compared to the same period one year ago.²⁸ The housing slump could limit the volume of new for-sale, residential development in Annandale, until market conditions improve. However, strong job growth and low interest rates suggest that the Washington Metropolitan Area Housing Market will likely regain its strength over the next several years.

Apartment Market

²⁸ *The New York Examiner Online* (February 13, 2008).

Metropolitan Washington, DC

Over the past several years, the apartment market in Metropolitan Washington, DC has maintained its position as the strongest in the nation. According to Delta Associates, the Metropolitan Washington DC apartment market as of mid-year 2006 had the highest occupancy rates, absorption levels, investor returns, and investment sales. The vacancy rate for Class A and B Apartments was 1.7 percent in mid-year 2006, the lowest in the nation, and nearly 6,500 apartment units were absorbed between mid-year 2005 to mid-year 2006. Apartment rents increased 7 percent since June 2005. The pipeline of new apartments dwindled from 28,000 units in 2000 to 18,000 in 2005; this trend has begun to reverse, as over 24,000 units were in the pipeline as of June 2006. Investment sales have been strong, with \$110 million in multifamily land sales.

Factors that have contributed to the strong apartment market in Metropolitan Washington DC include regional job growth, barriers to new construction, and conversions of apartments to condominiums. The Washington DC region led the nation in job growth in 2005, adding 80,000 new jobs that year. Supply of apartments to house these workers has been constrained by high barriers to new development, including high land costs, and condominium conversions. Demand for rentals has been spurred by high sales prices for owner-occupied housing units and potential buyer unease concerning future prices of condominiums. These factors have prompted many would-be condominium owners and first-time homebuyers to rent apartments rather than buy.

Northern Virginia

In Northern Virginia, pipeline development is beginning to correct the large reductions in supply due to condominium conversions over the past several years. However, projected demand continues to outpace supply, and absorption rates have outpaced deliveries. Delta Associates predicts that pipeline development will fall short of demand projected through 2008, and this demand-supply imbalance will contribute to sustained rent increases.

Fairfax County

Rents have increased for apartments in Fairfax County, which has an estimated inventory of 61,200 rental units.²⁹ According to the Northern Virginia Association of Realtors, as of the second quarter of 2006, rents rose for each of the three dominant apartment types in the County. Rents rose most dramatically in mid-rise properties (5-8 floors), with the 2006 average rent of \$1,801 over 20 percent higher than 2005's \$1,491. High-rise properties (9+ floors) appreciated nearly 10 percent, rising from \$1,421 in 2005 to \$1,558 in 2006. Garden-style apartment rents increased approximately 6 percent, from \$1,326 to \$1,408.

Figure 25: Fairfax County Multifamily Rental Market			
Housing Type	Average Monthly Rental Rate (2006)	Average Monthly Rental Rate (2005)	Rent Change Over Prior Year
Garden-Style	\$1,408	\$1,326	+6.2%
Mid-Rise	\$1,801	\$1,491	+20.7%
High-Rise	\$1,558	\$1,421	+9.6%

Source: Northern Virginia Association of Realtors

Annandale

²⁹ 2003 Rental Housing Complex Census Analysis, Fairfax County Department of Systems Management for Human Services.

In the Annandale market area (zip code 22003), rental rates advertised at mid-year 2006 for apartments ranged from \$985 to \$1,265 for one-bedroom apartments, \$1,200 to \$1,600 for two-bedroom apartments, and \$1,400 to \$1,935 for three-bedroom apartments.³⁰

Demand for apartments in Annandale is likely to be fueled by economic and demographic trends. As employment grows in the Annandale submarket, Fairfax County, Northern Virginia, and the greater metropolitan Washington, DC region, new households will provide demand for apartment units in Annandale. With residents between the ages of 25 and 34 as its largest cohort, Annandale should experience apartment demand driven by young professionals that prefer to rent rather than buy.

For-Sale Condominium Market

Metropolitan Washington, DC

The Metropolitan Washington DC condominium market slowed in pace at mid-year 2006, falling to sales activity levels comparable to those of 2004 after a year of record sales activity in 2005. During the second quarter of 2006, 2,616 new units were sold, and a total of 9,500 units are expected to sell in 2006. Delta Associates reports that the 36-month pipeline of new condominium development is decreasing, as investors react to decreased sales activity and heightened competition for buyers. Several planned condominium projects are being switched to rental apartment projects, and other condominium projects are being outright canceled. As of mid-year 2006, the inventory of condominium units available for purchase will take 2.7 years to sell if the current sales pace continues. The rate of price appreciation for metro-area condominium units dropped to 3.2 percent in 2006, compared to 24.4 percent in 2005.

Northern Virginia

The Northern Virginia condominium market is expected to slow after a year of robust growth in 2005. Sales activity during 2005 was up 65 percent over 2004 in Northern Virginia for new units. Sales prices increased 27.5 percent in Northern Virginia from year-end 2004 to year-end 2005. In contrast, as of July 2006, sales activity of condominium units had decreased 23.7 percent over 2005. According to the Northern Virginia Association of Realtors, the median sales price of all housing types decreased 3.9 percent from 2005 to 2006. With a growing inventory of unsold properties, increased concessions and price depreciation, the condominium market in Northern Virginia is expected to continue to slow in 2006.

Fairfax County

In Fairfax County, sales activity and prices for condominium units also decreased in 2006. Sales contracts were 32.6 percent below their 2005 level, dropping from 466 in July 2005 to 314 in July 2006. The median sales price decreased slightly from \$310,000 in 2005 to \$306,000 in 2006, a 1.3 percent decrease. Fairfax County's inventory of condominium homes for sale has increased nearly 198 percent, with 1,774 properties listed for sale in 2006 compared to 596 in 2005.

Annandale

In the Annandale zip code (22003), approximately 220 condominiums sold in 2006.³¹ The median sales price was \$265,000, slightly lower than the median sales price for condominiums in all of Fairfax County. The median original asking price was \$273,000, indicating that sellers accepted final sales prices

³⁰ Source: *The Washington Post Online* (August 11, 2006).

³¹ According to Metropolitan Regional Information Systems

approximately 3 percent lower than the original asking price. The current inventory of condominium homes for sale in Annandale was 45 as of January 2007, representing approximately 3 percent of all condominium homes for sale in Fairfax County.

For-Sale Single Family Market

Metropolitan Washington, DC

In July 2006, *The Washington Post* reported that many of the single family markets within the broader Metropolitan Washington DC market experienced decreased sales activity, large decreases in the rate of price appreciation (including small price drops), increased concessions and increased inventory of units for sale.

Northern Virginia

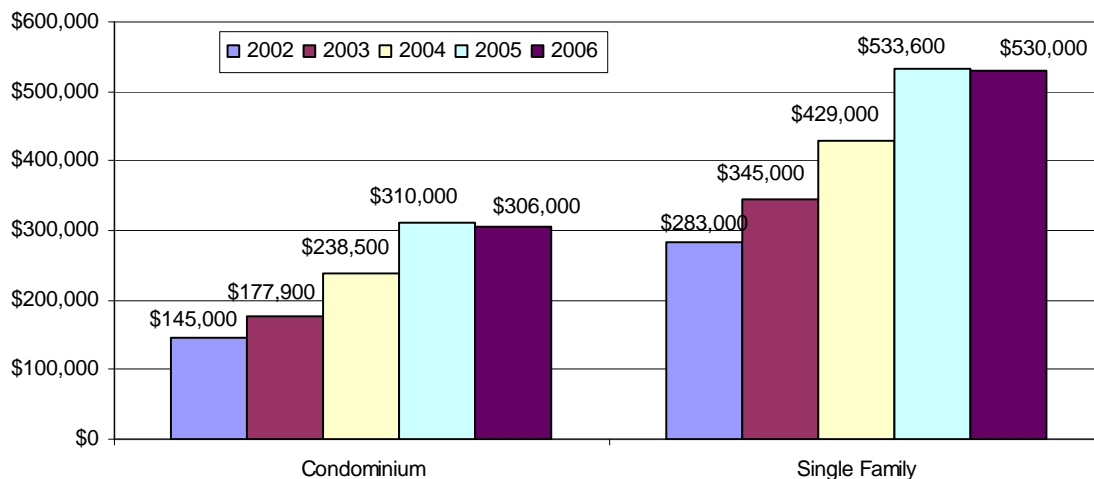
These conditions were certainly present in the Northern Virginia single family market in July 2006. The Northern Virginia Association of Realtors reported that sales activity of single family units decreased 44.6 percent from 2005 to 2006, with 1,266 homes sold in July 2006 compared with 2,285 in July 2005. The median sales price of all housing types in Northern Virginia decreased from \$559,790 in 2005 to \$537,731 in 2006, a 3.9 percent decrease. The inventory of single family homes for sale rose 133 percent over this time period, from 3,631 in 2005 to 8,474 in 2006. These factors have transformed the Northern Virginia single family market from a seller's market to a buyer's market.

Fairfax County

Fairfax County's single family market also experienced decreased sales levels, decreased prices, and increased inventory of homes for sale. Sales activity of single family homes decreased more sharply than in the condominium market, with a 42 percent drop in sales contracts from 1,705 contracts in 2005 to 986 in 2006. The median sales price decreased a scant 0.7 percent from \$533,600 in 2005 to \$530,000 in 2006. The inventory of single family homes for sale in Fairfax County increased 142 percent, with 6,551 single family homes for sale in 2006 compared to 2,705 in 2005.

Figure 26 summarizes sales price trends in Fairfax County for single family and condominium units from 2002 to 2006.

**Figure 26: Fairfax County Median Sales Prices
Condominium and Single Family Homes, 2002-2006**



Source: BBPC, Northern Virginia Association of Realtors

Annandale

Nearly 500 single-family homes sold in the Annandale zip code (22003) in 2006.³² The median sales price was \$585,000, on par with the median sales price for single-family homes in all of Fairfax County. The median original asking price was \$607,000, indicating that sellers accepted final sales prices approximately 4 percent lower than the original asking price. The inventory of single-family homes for sale in the Annandale zip code was 127 as of January 2007, representing approximately 2 percent of all condominium homes for sale in Fairfax County.

Conclusions

The Metropolitan Washington DC housing market, as of mid-year 2006, was experiencing a strengthening apartment market while demand slowed for condominium units and single family homes for sale. Slight decreases in condominium and single family home prices resulted from increased inventory levels and decreased sales activity. However, median prices for condominiums and single-family homes remained at historically high levels; in Fairfax County median prices were \$306,000 for condominiums and \$530,000 for single family homes. These high prices, coupled with unease regarding further price depreciation, has boosted the demand for apartment units from would-be buyers that have been out-priced of the for-sale market. In response to this demand, the supply of apartments is beginning to increase after decreases in 2005 from condominium conversion projects.

The apartment outlook for 2006 through 2007 is strong, as high demand and low vacancy rates translate to high rental rates. Economists differ in their outlook regarding the for-sale condominium and single family markets. David Lereah, chief economist of the National Association of Realtors has predicted that price depreciation will be short-lived, since the number of potential buyers waiting for price decreases will contribute to pent-up demand. Conversely, Mark Zandi of Moody's Economy.com believes prices

³² According to Metropolitan Regional Information Systems

will fall 10 percent by July 2007 for all housing types for-sale, and condominium units will experience even larger percentage price reductions.³³

The recent slowdown in the for-sale residential market represents a return to more normal real estate conditions, and offers an opportunity for homes to become affordable to more buyers as prices stabilize. With interest rates remaining at historically low levels, and job growth projected for the metropolitan Washington, DC area, the residential market will likely regain its strength over the next several years, as more buyers are attracted to this area.

Opportunities to enhance demand for residential units in Annandale include:

- Creation of a desirable mixed-use environment offering the opportunity to live near employment, retail offerings, and cultural/community amenities;
- Provision of community events and activities at the proposed Annandale Cultural Center; and
- Introduction of a range of residential unit types priced to compete in Fairfax County (e.g. a mix of apartments, condominiums, and single-family homes priced at or below median recent prices and rents).

4.4 Hospitality Market

Metropolitan Washington, DC

Demand for lodging in the Washington, DC-MD-VA decreased 1.2 percent from mid-year 2005 to mid-year 2006, while the supply of rooms increased 1.8 percent. Throughout the region, average room rates increased 8.8 percent from \$132.79 in 2005 to \$144.51 in 2006. Room revenues, which are tied to room demand, room supply and room rates, increased by 7.5 percent. Occupancy rates, which reflect changes in both supply and demand for rooms, averaged 71.1 percent, down 2.9 percent from the mid-year 2005 occupancy rate of 73.2 percent.

Northern Virginia and Fairfax County

In the Fairfax/Tysons Corner lodging submarket, room demand decreased 2.4 percent while supply increased 7.8 percent – the largest supply increase in the Northern Virginia region. Average room rates in Fairfax/Tysons Corner increased 11.7 percent, second only to Arlington in terms of appreciation. Room revenues rose 9 percent, and occupancy dropped 9.5 percent, from 78.2 percent in 2005 to 70.8 percent in 2006.

**Figure 27: Metropolitan Washington, DC and Fairfax County Hospitality Market
Mid-Year 2006**

Segment	Room Demand % Change	Room Supply % Change	Average Room Rates (January – June)			Room Revenue % Change	Occupancy Percent		
			2006	2005	% Change		2006	2005	% Change
Washington, DC-MD-VA	-1.2%	1.8%	\$144.51	\$132.79	8.8%	7.5%	71.1%	73.2%	-2.9%
Fairfax / Tysons Corner	-2.4%	7.8%	\$140.98	\$126.20	11.7%	9.0%	70.8%	78.2%	-9.5%
Arlington	-0.8%	-1.7%	\$159.74	\$141.16	13.2%	12.2%	77.4%	76.8%	0.8%
Alexandria	-4.3%	0.0%	\$125.30	\$113.03	10.9%	6.1%	72.1%	75.3%	-4.2%
Dulles Airport	1.7%	4.9%	\$135.49	\$125.36	8.1%	10.0%	74.4%	76.7%	-3.0%

³³ Murakami Tse, Tomoeh. "After 5 Years of Growth, Home Prices Drop." *The Washington Post*. Wednesday, July 26, 2006; A01.

Area					
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Source: Smith Travel Research and Virginia Tourism Corporation, 2006

The Fairfax County hospitality market comprises 82 hotels ranging from budget to extended stay to luxury, totaling more than 15,000 rooms. Currently, there are no hotels located within Annandale. The closest hotels are located in Bailey’s Crossroads, Seven Corners, Merrifield, and Springfield. Five major hotels with over 600 rooms are located in Bailey’s Crossroads and Seven Corners.

Figure 28: Annandale Hospitality Market* (2006)

Name	Rooms
Hampton Inn Alexandria	130
Homestyle Inn	201
Homewood Suites by Hilton Alexandria	105
Ramada Limited	59
Comfort Inn Arlington Boulevard/DC Gateway	111
Total	606

* 50 rooms or greater
 Source: Fairfax County Economic Development Authority

An analysis conducted by the Hospitality Group of PKF Consulting found that the current pipeline development for new hotel construction throughout the Metropolitan Washington DC market will sustain demand over the next several years.

Conclusions

Given the increases in supply in the Fairfax/Tysons Corner submarket, coupled with decreases in occupancy and room demand, the market may be limited for new hotel construction activity within the Annandale Revitalization District.

Opportunities to enhance demand for hospitality include:

- Competitive pricing at or below current average daily rates in Fairfax/Tysons Corner;
- Development of office space and targeting of office tenants likely to contribute to hospitality demand (e.g. employers that will bring employees to Annandale for training); and
- Development of retail offerings and special events/community programming to offer activities for visitors in which to participate.

Appendix 5 Strengths, Challenges and Opportunities

5.1 Strengths

The Annandale study area is a well established commercial district in Fairfax County with many strengths. One of its most significant advantages is that it is centrally located in a thriving County characterized by a strong real estate market and favorable economic and demographic conditions. Provided that land can be assembled for a redevelopment project and the Comprehensive Plan allows for an appropriate level of density, there is significant market support for mixed use projects. The study area also benefits from favorable conditions within the immediate market area. The surrounding residential communities are stable, affluent neighborhoods with a median household income of over \$75,000 – almost 100 percent higher than the national median household income.

In addition to favorable market conditions, both regionally and locally, Annandale enjoys convenient interstate access. The study area is located less than five minutes from I-395 and I-495. The proximate interstate connections, combined with orientation toward several major arterial roads (i.e. Columbia Pike, Little River Turnpike, and Annandale Road), provide for high levels of visibility and marketing capacity. The advantages of this visibility and accessibility are evident in the growth of an international business community.

The presence of multicultural retail and service establishments highlights the vitality of the Annandale commercial district. There are very few retail vacancies, and the congested parking lots reveal the economic health of these establishments. These businesses provide strong support for the local economy – in terms of tax revenue, employment, and spin off benefits such as corollary/supportive business opportunities. The businesses also provide a diversity that is relatively unique amongst commercial/retail destinations and districts within Fairfax County. This diversity is one element that can build a sense of place – a key ingredient in community revitalization.

The vitality of the commercial district is consistent with other signs of regeneration in Annandale. Redevelopment has occurred in select locations, and there are proposals for major mixed use projects in several key locations. Annandale’s designation as a commercial revitalization district has played a role in this rebirth and will continue to represent an advantage for the study area. The district designation facilitates redevelopment – through provisions such as an expedited approval process, flexibility in parking and landscaping requirements, increased building height and FAR options, and clearly articulated guidelines for development and streetscape design. The recent Comprehensive Plan amendments increasing the allowable floor area and maximum building height in select locations are a particularly important policy decision that will provide significant opportunities for redevelopment.

5.2 Challenges

While there are signs of growth and revitalization in Annandale, and the regional and local economic and market conditions will support additional redevelopment, significant challenges to widespread revitalization remain.

While the presence of international businesses supports the local economy, there is a diminishing number of establishments that serve the surrounding community. In addition, there are still widespread signs of aging, deteriorating infrastructure and building stock.

Furthermore, although the regional market conditions provide demand for new development, Annandale must compete with newer parts of the County that offer significantly less expensive and/or greenfield

sites that provide easy access and proximate amenities such as attractive new lifestyle centers and established employment centers. The residential market poses a particularly unique near term challenge – as nationwide developers are struggling to justify new construction until they sell their existing surplus inventory.

In addition to market challenges, the property ownership patterns and property values also pose concern for revitalization. Almost 65 percent of the parcels and 20 percent of the land area is comprised of parcels of less than 0.25 acres. Furthermore, 43 percent of the parcels are owned by families or individuals. These ownership patterns make it difficult to assemble property. Property assembly required to amass a large enough land area for redevelopment is significantly more challenging when there are several properties that need to be acquired. It is more expensive, as each property owner will expect maximum compensation for their property. Furthermore, it is logistically more complicated, as property owners may wait to sell until after others have sold – so as to make acquisition of their property all the more important and thus increase the value to the buyer. The ownership by families and individual also complicates assembly, as price and economics may not be the only factor governing their decision to sell. Personal issues, dependence on the property for their livelihood, inheritance or estate questions, are all factors that may prevent someone from agreeing to sell. Finally, property values have escalated at a high rate over the past five years – with acquisition costs currently ranging from \$90 to \$100 per square foot.

External forces and public policy also pose challenges to revitalization. A key incentive for redevelopment is providing certainty regarding capital investments and infrastructure improvements. The lack of clarity regarding when or if Little River Turnpike will be widened is a major obstacle preventing property owners and developers from making decisions regarding whether or not to make improvements on the corridor. Limited public transit options are also a barrier to revitalization.

While the recent Comprehensive Plan amendments increasing the allowable floor area and maximum building height in select locations are a key strength, there are several additional areas within the CBC that might benefit from an increase in maximum building heights and floor area ratios.

5.3 Opportunities

Given the strengths and challenges identified during the survey of existing conditions, several opportunities have been identified.

In terms of public policy and County actions, there may be opportunities to establish greater flexibility in maximum density. Specific guidelines could be established that allow for higher density when 1) it is required to “make a project work”, 2) the development concept is of high quality and consistent with the Comprehensive Plan vision, and 3) there are significant benefits for the County and the community. The county should also consider identifying potential opportunity sites where the County will consider streetscape investments as part of a public/private partnership. Enhanced public transit options, as well as the construction of a “ring” road, should continue to be explored.

The town center concept and urban-style, pedestrian-oriented mixed use development should continue to be encouraged, so as to take advantage of the study area’s proximity to interstate access and to enhance Annandale’s competitive edge. Mixed use projects should respond to the demand for key elements, namely meeting/incubator space for international entrepreneurs, affordable housing, and new retail space for community serving tenants.

Finally, there is a significant opportunity to integrate the diverse cultural groups working and living in and around the Annandale study area. As indicated in the section on strengths, this diversity is one element that can build a sense of place – a key ingredient in community revitalization. The construction

of a County cultural center, designed to integrate these cultural groups and provide space for their meetings and activities, is an exciting strategy to respond to this opportunity. This center can also catalyze private development – representing a significant County investment and public private partnership that will anchor a new, mixed use, private development project.

5.4 Summary

Figure 29 summarizes the strengths, challenges and opportunities associated with the Annandale Commercial Revitalization District.

Figure 29: Summary of Annandale Strengths, Challenges, and Opportunities			
Category	Strength	Challenge	Opportunity
Land Use	<ul style="list-style-type: none"> Surrounded by stable, affluent residential communities 	<ul style="list-style-type: none"> Small parcels that present logistical challenge in assembly 	<ul style="list-style-type: none"> Improve transitions between residential and commercial districts
Site Location & Characteristics	<ul style="list-style-type: none"> Proximate to interstates 	<ul style="list-style-type: none"> “Inner ring” suburban orientation places Annandale at competitive disadvantage with newer “lifestyle centers” and employment centers in western parts of the county 	<ul style="list-style-type: none"> Continue to encourage town center concept to take advantage of proximity to interstates and enhance Annandale’s competitive edge
Public Policy	<ul style="list-style-type: none"> Designated as a commercial revitalization district 	<ul style="list-style-type: none"> Achieving support for capital investments (public transit, parking garages) and higher density needed to catalyze redevelopment 	<ul style="list-style-type: none"> Achieve support for capital investments and development incentives where appropriate
Property Ownership	<ul style="list-style-type: none"> Signs of reinvestment 	<ul style="list-style-type: none"> Fragmented ownership Large # of properties owned by families/individuals with purchase price that includes more than just the fair market value (family history, livelihood, personal conflicts) 	<ul style="list-style-type: none"> Provide greater incentive for assembly by increasing the potential value of the redevelopment through flexibility in building heights and FAR
Urban Design	<ul style="list-style-type: none"> Clear land use and streetscape design guidelines 	<ul style="list-style-type: none"> Identification of County resources to support additional improvements 	<ul style="list-style-type: none"> Identify specific opportunity sites where the county will consider streetscape investments as part of a public/private partnership
Transportation	<ul style="list-style-type: none"> High visibility and regional accessibility 	<ul style="list-style-type: none"> High levels of congestion Limited public transit options Lack of clarity regarding when/if widening of Little River Turnpike will occur 	<ul style="list-style-type: none"> Enhance public transit options Create Annandale “ring” road
Development	<ul style="list-style-type: none"> Plans for large scale K-mart redevelopment 	<ul style="list-style-type: none"> Fragmented ownership, assembly challenges and limited incentive (higher density) for redevelopment 	<ul style="list-style-type: none"> Build new mixed use projects that include the following components Meeting/incubator space for international entrepreneurs Affordable housing New retail space for community serving tenants

Economic / Demographic	<ul style="list-style-type: none"> ▪ International business presence that supports area economy 	<ul style="list-style-type: none"> ▪ Diminishing # of establishments that serve surrounding community ▪ Inflated commercial property values 	<ul style="list-style-type: none"> ▪ Integrate diverse cultural groups
Market	<ul style="list-style-type: none"> ▪ Competitive office rents ▪ Centrally located in thriving Fairfax County characterized by strong real estate market and favorable economic and demographic conditions 	<ul style="list-style-type: none"> ▪ Must compete with newer lifestyle centers and employment centers in western parts of the County and Arlington, Co. ▪ Soft residential market throughout the nation 	<ul style="list-style-type: none"> ▪ Take advantage of demand for entrepreneurial incubator space, live/work housing, quality dining establishments by continuing to encourage mixed use redevelopment

Annandale Cultural Center

2. Pedestrian access	excellent	fair	excellent	excellent	excellent	fair
3. Parking	At a max 2 FAR, would allow for 83,150 square feet of development. Given size of site and potential revenue generation of private development (office space) may support costs to build underground structured parking garage	At a max .35 FAR, would allow for 57,595 SF of development. Given 50,000 SF requirement for cultural center and limited possibility for additional private development, would likely result in surface parking.	At a max .35 FAR, would allow for 44,542 of development. Given 50,000 SF requirement for cultural center and limited possibility for additional private development, would likely result in surface parking.	plans for below grade and above ground structured parking	At a max 1.0 FAR (without consolidation), would allow for 509,135 SF of development. Will likely support below grade parking	At a max 1.0 FAR, would allow for 147,509 SF of development. Given 50,000 SF requirement for cultural center, remainder of development potential for above ground parking and private development. given potential for private development, may support costs of structured parking.
Development Program						
1. Compatibility with adjacent uses	yes - adjacent to planned redevelopment at K-Mart site	yes - across the street from Giant grocery store and compatible with existing uses (adult and child day care)	yes - adjacent to planned redevelopment at K-Mart site	yes - plans for mixed use projects surrounding site	yes - on site with plans for an urban redevelopment project	yes - adjacent to other community uses and businesses
2. Flexibility of design and orientation within development project	At a max 2 FAR, would allow for 83,150 square feet of development. Given size of site and desire by owners for two levels of private development (office space), cultural center could reside on first two levels, office space on 3rd and 4th levels, and parking would need to be constructed underground	At a max .35 FAR, would allow for 57,595 SF of development. Cultural center would be the only component and thus could have maximum flexibility in design and orientation.	At a max .35 FAR, would allow for 44,542 of development. Cultural center would be the only component and thus could have maximum flexibility in design and orientation	willing to consider ground level space as well as office space in upper levels	given scale of project, would likely allow for ground level orientation	At a max 1.0 FAR, would allow for 147,509 SF of development. Given 50,000 SF requirement for cultural center, would allow for 97,509 SF of private development. Given the scale of the project, would likely allow for ground level orientation of cultural center with private uses on upper levels.

Annandale Cultural Center

3. Magnitude of opportunities for private development	At a max 2 FAR and 50,000 square feet of cultural center, would allow for approx. 33, 150 square feet of private development	At max .35 FAR, no opportunities for private development	At max .35 FAR, no opportunities for private development	Maximum 1.5 FAR (mixed use with residential) allows for 226,063 SF of development. If cultural center = 50,000 SF, balance of 176,063 SF for private development and parking	significant	At a max 1.0 FAR, would allow for 147,509 SF of development. Given 50,000 SF requirement for cultural center, would allow for 97,509 SF of private development and parking.
Economic Benefits						
1. Reclaim vacant, unused, or underutilized property	yes - underutilized, given location in central Annandale	yes - underutilized, given location in central Annandale	yes - underutilized given location in central Annandale and incompatibility of uses (truck parking)	no - already plans for development	no -already plans for development	yes - aging properties
2. potential contribution to revitalization/leverage private sector investment	yes, with comp plan amendment increasing allowable density could encourage private development on site; could stimulate redevelopment/property consolidation in Opportunity Site #11	yes, with comp plan amendment increasing allowable density could encourage private development on site as component of the overall project	yes, with comp plan amendment increasing allowable density could encourage private development on site; could stimulate redevelopment/property consolidation in Opportunity Site #7	yes - could stimulate redevelopment/property consolidation in Opportunity Site #11	no - already plans for development	yes - could provide opportunity for private development on upper levels and potential address pent up demand for small office space
Summary						
Overall Findings	1. Ideal from perspective of real estate and transportation factors (reasonable price expectations, compatibility with existing uses, ease of assembly and possible near term option, ownership, visibility, and access 2. Constrained in terms of the development program and parking options given Comp Plan provisions; significantly higher development potential if Comp Plan amended to allow for higher density 3. Economic Benefits significant potential given 1)	1. Ideal from perspective of real estate and transportation factors (price, compatibility with existing uses, ease of assembly and possible near term option, ownership opportunity, visibility, and access 2. Constrained in terms of the development program and parking options given Comp Plan provisions; significantly higher development potential if Comp Plan amended to allow for higher density	1. Ideal from perspective of real estate and transportation factors (likely reasonable price expectations, compatibility with existing uses, ease of assembly and possible near term option, ownership, visibility, and access 2. Constrained in terms of the development program and parking options given Comp Plan provisions; significantly higher development	1. Real estate factors: potential near term opportunity (3 year time frame) and property owner willingness to cooperate; however, opportunity for facility ownership unclear, tenant relocation/buy out requirements, limited visibility relative to other sites 2. With recent Comp Plan amendment increasing max FAR to 1.5, significant opportunity for private development and flexibility to	1. Real estate factors: property owner willingness to cooperate; however, opportunity for facility ownership unclear, implementation time frame unclear, complicated tenant (K-Mart) requirements 2. With recent Comp Plan amendment increasing max FAR to 1.5, significant opportunity for private development	1. Less than ideal from real estate perspective (difficult and costly assembly), but opportunity for county to set the terms of the deal (county ownership, mix of uses) 2. With recent Comp Plan amendment allowing 1.0 FAR without a hotel/cinema, significantly increases opportunity to accommodate the

Annandale Cultural Center

	location within Opportunity Site #11 and potential to stimulate redevelopment/assembly and 2) opportunity to realize highest and best use through mixed use project with private development.	3. Economic Benefits limited relative to other sites given need to accommodate existing uses in overall development program and limited assembly opportunities on adjacent parcels.	potential if Comp Plan amended to allow for higher density 3. Economic Benefits significant potential given 1) proximity to Opportunity Site #7 and potential to stimulate redevelopment/assembly and 2) opportunity to realize highest and best use through mixed use project with private development.	accommodate cultural center 3. Economic benefits: net new benefits limited given previous plans to redevelop; could stimulate assembly/redevelopment in Opp. Site #12	and flexibility to accommodate cultural center 3. Economic benefits: net new benefits limited given previous plans to redevelop	cultural center and relocate the existing owners to upgraded space in a new facility 3. Significant potential for new economic benefits given 1) potential to consolidate property with aging structures and 2) potential to achieve highest and best use
Real Estate Ranking	3	3	3	2	1	1
Transportation Ranking	3	2	3	3	3	1
Development Program Ranking	1 or 3	1 or 3	1 or 3	2	3	3
Economic Benefits Ranking	2 or 3	1 or 2	2 or 3	2	1	3
Overall Score	9 to 12	7 to 10	9 to 12	9	8	8

Appendix 7 Cultural Center Case Studies

The following case studies provide insight into the workings of cultural and community centers in Metropolitan Washington DC, including model centers in Fairfax County. These case studies were selected based on a number of factors that showed similarities to proposed components of the Annandale Cultural Center, including but not limited to:

- Facility size;
- Ownership structure;
- Facility amenities and spaces;
- Programming;
- Parking;
- Location in Metropolitan Washington DC;
- Adjacency/integration with redevelopment project(s);
- Design innovations;
- Funding innovations;
- Public-private partnerships.

Each center contains some, but not all, of the components described above. For instance, the Willston Multicultural Center provides a model of accommodating ethnically-based community groups, but does not provide the arts and recreation facilities proposed for the Annandale Cultural Center.

Willston Multicultural Center

Location:

6131 Willston Drive
Falls Church, VA 22024

Contact Information:

Phone: (703) 532 6018
Fax: (703) 532-0743
Contact: Gregory Williams, Director

Hours of Operation:

Mon.-Friday: 8 am to 9 pm
Saturday: 7 am to 2 pm
Sunday: 12 pm to 4 pm

Similarity to Annandale Cultural Center

- Leases space to ethnically-oriented community groups;
- Owned and operated by Fairfax County; and
- Located within a revitalization area..

Facility Overview

The Willston Multicultural Center occupies the Willston School, a three-level 1950s-era rehabilitated school in Bailey's Crossroads. Adjoining uses include an affordable housing apartment community. The

site features ballfields, two trailers, a daycare center, and playground. Parking at the facility is limited to 25 spots. Many of the center's users arrive via bus.

The facility features three floors of classrooms that serve various uses. On the first floor, classrooms are rented to non-profit community groups which primarily serve the Korean and Vietnamese communities. These groups offer, among other activities, courses in calligraphy, vocational training, and English. Resettlement and immigration services are also offered in first floor classrooms. The Fairfax County Public Schools Adult English as a Second Language program occupies the second floor classrooms. Fairfax County Department of Recreation operates the grant-funded computer clubhouse program in the school's basement. The basement is also used for children's after school and summer programs. As of 2006, the facility's classrooms available for rent were fully leased to community nonprofit groups. According to Director Gregory Williams, the demand for rentable space exceeds the school's supply of classrooms.

Organization

The Center is staffed by the Director and a security guard. The facility is owned by Fairfax County, and funding for operations and maintenance is derived from the Department of Parks & Recreation budget. Current non-profit community group tenants include: Vietnamese Resettlement Association, Inc.; Newcomer Community Service Center; Vietnam Wushu of Shaolin Martial Arts School; Vietnamese Senior Citizens Association; Korean American Senior Citizens Association; Korean American Association of Northern Virginia; Korean Senior Citizen's Association of Greater Washington; and the Korean Veterans Association Eastern Region Department in the United States. According to the Director, the most common requests from community group tenants include the installation of extra electrical outlets, assistance with deliveries, and extra space for meetings.

Site Acquisition & Construction/Renovation Information

Fairfax County's Multicultural Center was originally located at the Whittier School. In the 1990s, the Multicultural Center moved from the Whittier School to Willston, a County-controlled former school. (Whittier was sold by the county for redevelopment as part of a land swap agreement.) In 2004, the Willston School was renovated with the installation of central air and dropped ceilings, and has recently been upgraded with the creation of the computer clubhouse. Community groups have also invested in their respective spaces. The Korean American Senior Citizens Association, which was among the center's first tenants, has spent an estimated \$100,000 on computer lab equipment. According to the Director, the most common requests from community group tenants include the installation of extra electrical outlets, assistance with deliveries, and extra space for meetings.

Future Prospects

The Willston Multicultural Center is located within a redevelopment area in Bailey's Crossroads. Given the high demand in excess of supply at the center, and pressures to redevelop parcels for mixed-use development, the Multicultural Center may in the near future require relocation to a new facility.

Lessons Learned

The Willston Multicultural Center provides several lessons that can inform the planning process of the Annandale Cultural Center. These lessons are summarized below.

- Community cultural groups in Fairfax County provide **strong demand** for center space, such that the Willston Multicultural Center cannot accommodate all of its potential tenants. This demand suggests the Annandale Cultural Center will be able to attract many tenants upon completion;
- The **common needs** of Willston tenants, including extra electrical outlets, assistance with deliveries, and extra space for meetings should be taken into account when planning the design of the Annandale Cultural Center. The new center could offer multipurpose meeting facilities, double doors, ramps and pushcarts to accommodate deliveries, and feature wiring and outlets for technology;
- The Willston center provides space for Fairfax County’s English as a Second Language program and Computer Clubhouse. **Space planning** for the Annandale Cultural Center should consider whether or not these uses will be incorporated into the center, and if so, the space needs of these users;
- **Parking** at the Willston Multicultural Center is limited in comparison with demand. More plentiful parking should be pursued at the Annandale Cultural Center;
- Many of the Willston users arrive by bus, indicating the Annandale Cultural Center’s site design should incorporate **bus-friendly elements**, such as drop-off bus bays or short-term bus parking; and
- The Willston Multicultural Center faces the future possibility of necessary relocation in order to meet the space needs of current and prospective tenants and to fulfill the redevelopment plans of Bailey’s Crossroads. This **potential relocation** provides an opportunity for the Annandale Cultural Center to absorb the Willston tenants, programs and staff upon completion. The Annandale Cultural Center would benefit from the assured tenant base, and from the sale of the Willston site, which would provide funds for the new center.

Reston Community Center

Location:

RCC Hunters Woods
2310 Colts Neck Road
Reston, VA

RCC Lake Anne
1609-A Washington Plaza
Reston, VA

Contact Information:

Phone: (703) 390-4500
Contact: Bonnie Freeman (703) 390-6142

Hours of Operation:

RCC Hunters Woods
Mon.-Sat.: 9 am to 9 pm
Sunday: 9 am to 8 pm

RCC Lake Anne

Mon.-Sat.: 9 am to 10 pm

Sunday: 1 pm to 9 pm

Similarity to Annandale Cultural Center

- Provides spaces similar to those proposed for the Annandale Cultural Center, including meeting rooms and performing and visual arts spaces;
- Located proximate to a mix of uses, including residential and retail uses;
- At approximately 50,000 square feet, is similar in size to the proposed Annandale Cultural Center; and
- Utilizes innovative parking and financing techniques that could be suitable in Annandale.

Facility Overview

The Reston Community Center operates from two facilities – RCC Hunters Woods and RCC Lake Anne. The Hunters Woods facility features an indoor swimming complex, CenterStage (a 290-seat theater), a photo lab, computer lab, woodshop, stained glass workshop, and meeting rooms. The Lake Anne facility includes a multipurpose room used primarily as an art gallery, a ceramics lab, and general meeting rooms. Adjoining uses at the Hunters Woods facility include a traditional shopping center, new shopping center, a Lutheran church, and small New Urbanist style townhouse/apartment community. The Hunters Woods facility shares parking with the adjacent traditional shopping center, which is anchored by a Safeway grocery store and was redeveloped in the 1990s.

The Hunters Woods facility caters to a variety of programs within its 50,000 square feet, including: aquatics, community events, computer training, crafts, fitness and exercise, dramatic arts, photography, and English as a Second Language. None of the spaces are available for long-term lease, but meeting rooms are available for short-term meetings, receptions and parties on a rental basis. Hourly rents range from \$6-\$60, depending upon meeting room size and whether or not the renter is a local resident.

Organization

The Reston Community Center is staffed by Executive Director Bonnie K. Freeman, 13 administrative staff members, 4 aquatics staff, 4 finance staff, 4 maintenance staff, 6 performing and fine arts staff, and 16 general programs and community events staff. The facility is owned by the Fairfax County agency which shares its name, the Reston Community Center, and is governed by a nine-member Board of Governors appointed by the Fairfax County Board of Supervisors after residents express their preferences in an annual poll. The Board of Governors oversees the fiscal operation of the center and its programs, establishes center policy, and offers public outreach regarding program balance. Funding for operations and maintenance of the facility is derived from tax revenues within Small Tax District 5, a special assessment district in which the tax rate is \$0.047 per \$100 of assessed property value.

Site Acquisition & Construction/Renovation Information

Fairfax County built the Hunters Woods facility in 1979. Capital costs totaled \$2.2 million, and were paid for with a county bond issue that was repaid through the small district tax assessment. In 2004, the reception area was renovated.

Lessons Learned

The Reston Community Center provides lessons that can inform the planning process of the Annandale Cultural Center. These lessons are summarized below.

- The Reston Community Center is a dynamic center serving multiple groups and interests, from young children to senior citizens with interests ranging from performing arts to sports and recreation. As such, the center requires a paid staff of 47, a much higher amount than the two staff members at the Willston Multicultural Center. The planning process for the Annandale Cultural Center should include a discussion regarding what activities and functions the center will provide, along with an estimation of **staff needs** to provide these services.
- Located next to senior housing and a shopping center, the Reston Community Center has taken advantage of a **captive audience** for its activities and services as well as an opportunity for **shared parking**. Plans for the Annandale Cultural Center should consider the needs of existing and projected future residents based on demographics such as age, particularly as these demographics relate to center programming. If the Annandale Cultural Center is located near an existing shopping center, or near a future development, the desirability of and opportunities for shared parking as should be evaluated.
- The Reston Community Center utilizes an innovative financing mechanism, the special tax assessment district, to pay down the center's debt and fund daily operations and maintenance. Issues associated with the use of **special tax assessments** should be discussed in the Annandale Cultural Center planning process if this financing option is considered. Potential issues include: financial impact on area residents and/or businesses; which entities (residents and/or businesses) should become subject to the tax assessment; which entities will benefit from the center; and geographic extent of the assessment district.
- Given the Reston Community Center's unique architectural design and customized theater elements, center staff estimate the cost of construction alone would cost approximately \$25 million in 2006 dollars. While the actual cost of constructing the center in 2006 dollars may be more or less than this estimated cost, the **costs of customized spaces** such as a theater should be investigated and considered when planning for the Annandale Cultural Center.

Langston-Brown Community Center

Location:

2121 N. Culpepper St.
Arlington, VA 22207

Contact Information:

Phone: (703) 228-5312
Contact: Kelli Beavers (703) 228-4878

Similarity to Annandale Cultural Center

- The facility size, at 50,000 square feet, is similar to that planned for Annandale;
- The space mix includes classrooms and common recreation areas; and

- Built to LEED certification, the Langston-Brown Community Center is a model in green building that could be a construction alternative for the Annandale Cultural Center.

Facility Overview

The Langston-Brown Community Center occupies a three-level, 50,000 square foot facility that combines space for community recreation with continuing education. The facility features classrooms, a gym, fitness center, media center, multipurpose room with billiards tables, dance studios, a kitchen, an art center, and a recreation/technology room. The facility received the USGBC LEED™ Certified Silver Rating for its environmentally sustainable design.

The site features two children's play areas, a tennis court, a half-court basketball/play area, and a community picnic pavilion. Adjoining uses include commercial establishments, a fire station, an older established single family residential community and a townhouse community. The center features limited on site surface parking lots with islands, shade trees and shrubs.

Programs within the facility are divided among three users: Arlington Public Schools, which offers the Langston High School Continuation Program; Arlington County Department of Parks and Recreation, which provides recreation programs; and Head Start, which provides the Arlington Community Action Program.

Organization

The community center is jointly owned by Arlington County and Arlington Public Schools. Operations and maintenance are funded through the general budgets of the center users.

Site Acquisition & Construction/Renovation Information

Arlington County utilized a 2.4 acre county-owned site as the location for the Langston-Brown Community Center. An older, 23,000 square foot community center was demolished to make room for the center. Project costs, including demolition, site work, and construction of the new building, totaled \$7.5 million, or approximately \$150 per square foot. Built to LEED certification, the building cost about 10% more than it would have without the environmentally sustainable features. According to the center's architect, the higher upfront costs were outweighed by long-term operations savings, which are approximately \$10,000 annually due to minimized water and energy usage.

Sustainable features include: pervious parking spaces to manage storm water; two rainwater reclamation tanks for on-site irrigation; a Bio-Retention facility that collects and filters storm water runoff from impervious surfaces; solar shading devices to minimize heat gain and provide day lighting; waterless urinals, low-flow faucets and water closets to reduce potable water consumption; clerestory windows for natural lighting; and low VOC materials, adhesives, sealants and paints to reduce toxins. Also, during construction, the general contractor managed waste such that 75% of all construction waste was reused or recycled; much of the waste was reused by Arlington Public Schools for other school projects.

Lessons Learned

The Langston-Brown Community Center provides lessons that can inform the planning process of the Annandale Cultural Center. These lessons are summarized below.

- With both Arlington County and Arlington Public Schools occupying space in the center, the Langston-Brown Community Center is a model for **joint ownership** of a community facility.

This arrangement allows both users to take advantage of common spaces, such as gymnasiums and media centers, at a lower cost than if each space was built in a separate facility. In planning the Annandale Cultural Center, a discussion should take place that identifies center users and possible co-tenants if joint ownership is desired.

- The Langston-Brown Community Center was built at a significantly reduced total cost since it was built on an already **county-owned site** rather than an acquired parcel from the private sector. In the Annandale Revitalization District, Fairfax County owns two sites that are located adjacent to one another; one site houses an adult and child daycare facility while the other is the location of a fire station. Plans for the Annandale Cultural Center should consider the feasibility of utilizing one or both of these sites for the location of the new center, and if these sites are feasible, investigate co-tenancy options between the Cultural Center, adult/child daycare facility, and fire station.
- With a LEED certified silver rating, the Langston-Brown Community Center is a living green education facility. During the Annandale Cultural Center planning process, a discussion should take place regarding whether or not green certification or green elements are options that should be pursued for the center. The discussion should weigh the higher upfront costs of construction with reduced annual operating costs and community benefits of **green building**.
- Parking is limited at the Langston-Brown Community Center. Planning for the Annandale Cultural Center should consider the demand and need for **parking** as well as parking demand management opportunities.

Woolly Mammoth Theatre

Location:
641 D Street NW
Washington, DC 20004

Contact Information:
Phone: (202) 289-2443
Contact: Howard Shalwitz (202) 312-5266

Similarity to Annandale Cultural Center

- Developed within an area targeted for redevelopment and revitalization;
- Provides performing arts space; and
- Created as part of a mixed use development, which may be a feasible option for the Annandale Cultural Center's development.

Facility Overview

The Woolly Mammoth Theatre Company occupies the 35,000 square foot basement level of the Jefferson at Penn Quarter, a ten-story, mixed use complex which includes 35,000 square feet of ground level retail, 428 luxury condominiums, and a 450-space structured parking garage. Built in 2005, the Theatre Company space includes a 265-seat theater, a large lobby with cafes and a box office, storage rooms and offices for theatre company staff.

Organization

The nonprofit Theatre Company is staffed by 18 professionals in artistic, production, administrative, marketing, development, and education capacities, and governed by a 30-member Board of Directors. Operations and maintenance are funded through grants, donations, and theater proceeds.

Site Acquisition & Construction/Renovation Information

The project site for the Jefferson at Penn Quarter consisted of an entire city block owned by the General Services Administration (GSA), which was consequently sold to developer JPI after a request for proposals process. JPI's plans called for the preservation of the facades of existing historic buildings, and the construction of the ten-story mixed use complex behind the facades.

For the theater, JPI donated the shell of the basement space, valued at \$4.5 million, to the Woolly Mammoth Theatre Company prior to fit out (the GSA required that the project include an arts use as part of the request for proposals process). The Theatre Company used \$7.5 million in private donations and grants to pay for the design and construction of the theater within this shell.

Lessons Learned

The Woolly Mammoth Theatre provides lessons regarding the development of a cultural center within the context of a private development. These lessons can inform the planning process of the Annandale Cultural Center, and are summarized below.

- The development of the Woolly Mammoth Theatre space in the Jefferson at Penn Quarter provides a model example of integrating a cultural center as part of **mixed use development**, in which the center is physically and functionally linked to the development's residential and retail components. In planning for the Annandale Cultural Center, the feasibility of incorporating the center into a mixed use development should be addressed.
- The donated theater space in part resulted from a **public-private partnership** between the developer and the General Service Administration, which required that the development include an arts use as part of the property sale. The Annandale Cultural Center planning process should consider opportunities for a proffer process by which developers could contribute to the center through a public-private partnership.

Annandale Cultural Center
