

Falls Church City – What is the Future for the City Center?

October 25, 2007

INTRODUCTION

The City is approaching a critical point in the realization of the City Center, the most important commercial project in the city's history. Development of a City Center project south of Broad Street is advancing toward final consideration, while key issues about City Center development north of Broad are coming into view.

The Deliberation Day process this month offers residents a close-in view of the City Center plans and an opportunity for input before final decisions are made. The sessions are also a chance to consider whether new development strategies or methods of public involvement are called for.

In the first "Deliberation Day" this spring, Falls Church citizens considered the question, "The City of Falls Church: What Are We Becoming?" The discussion highlighted a long-standing community debate over the goals of broadening the tax base and preserving a "village character" in Falls Church. We return to this issue in the context of the City Center discussion.

This Guide is intended to support discussion of these issues and includes:

- Background information on the City Center concept and actions to date, and
- Three suggested approaches for discussion that represent differing views about the City Center project:
 - Make the most of the City Center South proposal to secure new sources of tax revenues, among other City Center objectives.
 - Create new economic development strategies and tools in order to advance the City Center plan north of Broad Street
 - Strengthen citizen engagement and the City development process

In a Deliberation process, individuals share their views, learn from one another and identify values and goals around which community action can be formed. Deliberation Day gives people a chance to be heard and a reason to listen.

The Deliberation format has two key features. First, it starts the discussion with three propositions or "approaches," each of which have pros and cons. Second, it alternates between small and large group discussion to open the way to participation. This concept can uncover common ground among people of otherwise divergent views, and leave participants with a deeper appreciation of others' positions.

HOW WE GOT HERE

Discussion of a new central business district waxed and waned from the mid-sixties until the mid-1990s when budget pressures intensified the need for more commercial tax revenues. This initiative led to efforts to define a unique commercial and residential center for the city.

The Street-Works Plan

A community-wide planning process was begun in 2001, guided by the Street-Works consulting firm. After extensive public discussion, the Street-Works City Center Strategic Plan was published in 2002, creating a design concept for development on the north and south sides of Broad Street, west of Washington Street.



Overview of the Street-Works plan showing new commercial and residential development and public “Great Places” on both sides of Broad Street (running diagonally from top left to lower right in the illustration. The intersection with Washington Street is right of center).

The Great Place commons were seen as catalysts for successful new commercial and residential development while preserving the city’s small-town atmosphere.

Street-Works Strategic Plan, 2002

Comprehensive Plan

Guiding Principles for the City Center, closely following the Street-Works Plan, were incorporated by City Council in the 2005 amendments to the City’s Comprehensive Plan. The Principles envisioned the City Center as Falls Church’s commercial hub and the Great Place town commons as the community’s primary gathering places. A unique, exemplary design would enhance the city’s image. The Comprehensive Plan includes the following “Vision Statement” for the City Center.

“The vision for the City Center depicts a vibrant hub of community activity. The City Center Area is highly accessible to pedestrians, bikers, transit, and automotive modes of travel. The City Center is a place where people will come to stroll, walk, dine, work, attend cultural and entertainment events such as the Farmer’s Market or City festivals, buy food and drink, conduct civic business and live. The City Center should be designed to provide many of the goods and services that City residents need on a daily basis to reduce the number of resident trips outside of the City and it should be a magnet to business from the surrounding Region.”

Falls Church City Center Comprehensive Plan. 2005

In January 2005, the City ended its original plan to select a City Center “master developer,” choosing a “market-based” approach to let developers initiate and carry the development forward.

A study of transportation issues was completed in 2006, including proposals for a multi-modal transit hub, improved pedestrian access and relocated streets to accommodate the City Center design. A key change to the Plan is the location of significant public spaces only north of Broad rather than north and south of Broad. The changes have been included in proposed new Comprehensive Plan amendments now being considered by the City.



City Center Map from the City’s currently proposed Comprehensive Plan amendment

Atlantic Realty Proposal

In December 2006, Atlantic Realty Companies submitted a development application for the south section of the City Center covering about five acres and including the current Bowl America facility.

The proposal included a Harris Teeter supermarket, a 180-room hotel and conference center, more than 100,000 square feet of new class-A office space, some 500 residential apartments with an affordable housing component, 67 age-restricted housing units, a relocated Bowl America center and spaces for restaurant and other retail businesses. Atlantic Realty says that if approved, Phase I of the south side – between Broad and Annandale – would take two years to complete. Phase II, south of Annandale, would require another two years.



Artist's rendering of the south side of W. Broad, submitted by Atlantic Realty in December 2006. This view may change when revised plans are submitted.

The Atlantic Realty proposal drew a variety of reactions from people and organizations in the city.

Supporters point to an estimated annual \$3 million in new *gross* annual tax revenues from the South side development and important new commercial establishments, such as the planned office building and hotel. The *net* tax annual gain is currently estimated by the City at \$1.8 million. Supporters predict that the project will stimulate other development, adding that given the difficulties in assembling properties, the project's essential elements are the best the City can expect.

Critics objected to the height and scale of the development, with some buildings at eleven stories, the impacts on Big Chimneys Park, its dominance by the relocated bowling center, and the limited number of café and retail outlets. The plan did not conform to the City transportation consultants' recommendations. Perhaps most important, it did not provide for a pedestrian-friendly Great Place commons space, even though the City owns the land between Broad and Annandale Streets next to the post office.

Major Design Team Review

A Major Design Team was appointed by the City including representatives from the City Planning Commission, Economic Development Authority, Architectural Advisory Board, the Falls Church Chamber of Commerce and the Village Preservation and Improvement Society, and nearby residents. The Team reviewed the project with the developer and City staff and concluded in April 2007 that significant design and architectural changes were required to bring it closer to the City's goals.

The City staff pursued these objectives, and Atlantic Realty has tentatively agreed to a series of revisions called for by the Design Team and the City, including:

- adding a new street next to the current post office to link Broad Street with the project's center on Annandale Road, and an alleyway paralleling Broad Street that will accommodate a more open architecture;
- reducing the height of the office building on Broad Street;

- adding townhouses and changing the orientation of high-rise residential units facing the park, and shifting the supermarket location, all to reduce the project’s impact on the park and nearby residents;
- adding new streetscape plans to create small public gathering “niches.”

But the Team expressed continuing concerns about the mass, height and density of the project. It noted that the location of a new Bowl America facility between Broad and Annandale constrained options for meeting some key design goals. As an alternative, the revised proposal now seeks to integrate the project with Big Chimneys Park. The City staff’s new Comprehensive Plan amendments include a small triangular park site on Annandale but it is not clear who will acquire this space.

The final Atlantic Realty proposal, once filed, will go back to the Planning Commission and City Council for consideration.

Atlantic Realty has indicated the intention to also redevelop the area between George Mason Square and South Maple Street (including the 2 story parking structure) within the next several years. The role that this project might play in supporting public parking, a Great Place commons, or a transit hub is unclear. This project, along with the currently proposed project, would complete City Center south of Broad Street.

The City Center north of Broad

The most ambitious part of the City Center plan is on the north side of Broad Street. The proposed revisions to the Comprehensive Plan would site the Great Place commons here along with a major public building as a magnet, surrounded by commercial spaces, cafes, retail, a theater, public parking, and a federally-supported transportation hub, according to the plan.

But the City Center North plan must overcome high land acquisition costs involving more than a dozen property owners, some of whom are not currently interested in selling, City officials report. The Street-Works consultants estimated that \$30 million in public funds would be needed to pay for the commons and one or more new municipal buildings on the site that would help attract the public.

The City is engaged in a major review of building space needs for City administration, public safety, schools, library facilities and other services, and this review could lead to a proposal for a new library or City building on the site. In addition, the Post Office’s retail outlet may be relocated, possibly to the City Center North.

APPROACHES FOR DISCUSSION

The Deliberation Day process begins with three alternative approaches to the question at hand. These three approaches are by no means exclusive or exhaustive.

The approaches described below are not recommendations and do not reflect the positions of the Deliberation Day sponsoring organizations (i.e. Citizens for a Better City, the League of Women Voters of Falls Church, and the Village Preservation and Improvement Society). Rather, these approaches are starting points for discussion and are intended to facilitate a better understanding of tradeoffs and common interests.

Approach #1: Make the most of the City Center South proposal

The anticipated tax revenue from the City Center South project--by far the largest mixed-use development in the city's history--would provide significant support for City schools and services. The project's design has been improved in several important respects and additional improvements, such as reducing the large size of the buildings and adding significant public space, should be pursued only if they do not jeopardize the project.

Economic development, like politics, is often the art of the possible, and the possibilities for the City Center South hinge largely on conditions set by Bowl America, one of two primary property owners on the City Center South site. (The other is the City of Falls Church).

Bowl America had rebuffed proposals by the City and private developers to relocate its Maple Avenue facility – one of the firm's best financial performers. Atlantic Realty officials told the City staff that because of a long-standing relationship with Bowl America, they might be able to convince it to relocate to a new facility in the project's first phase, thus opening up its current location for other redevelopment. Atlantic Realty took the lead in negotiations with Bowl America, according to the City staff. While Bowl America did agree to move to a new bowling facility, it insisted on a one-story, single use facility on Annandale Road across from its present location. The new facility would have to be completed before the current bowling facility is demolished, Atlantic Realty said.

The location of the new bowling alley limited the flexibility of the City Center South design.

What could be done

- If it agrees to proceed with the Atlantic Realty plan, the City could seek:
 - A commitment to “green” design through the Leadership in Energy and Environmental Design program
 - A commitment to support affordable housing
 - A commitment to long term maintenance of the street trees and Big Chimneys Park
- The City should follow through on proposals to acquire the triangular piece on Annandale Road that it is proposing as a small park site

Some likely trade-offs

- The City Center South plan includes 1,500 parking spaces. A comprehensive analysis of the traffic conditions through the site has not yet been completed.

- The small-town feel of this part of the city will be fundamentally altered by the height and density of the new buildings.
- If the City Center South lacks a Great Place commons, this goal must be achieved on the north side -- and that part of the project may not be completed for many years, if at all.

What critics of this approach say

- The Atlantic Realty project fails to create an “exemplary” and distinctive commercial center for the city.
- The Council and Planning Commission should press Bowl America and Atlantic Realty to accept “air rights” development above the new bowling facility. This would create options for the development of commons space for the entire community within the project.
- The Atlantic Realty-owned parking space behind George Mason Square should be included in the overall plan for the City Center South, providing more options toward meeting project goals.
- Although the City is selling public land to the developer at market prices, the land really ought to be used as part of the Great Place Commons.
- The revised plan requires the City to acquire-- by purchase or eminent domain authority-- property at the corner of Shirley and Gibson Streets and the corner of Broad and South Maple. The City has not provided estimates of the projected costs of these acquisitions.

Approach #2 - Create new economic development tools to achieve the City Center North Plan.

The City Center North site provides the opportunity for creating the Great Place for community gatherings, with cafes, retail, public facilities, public parking, and a transportation hub. All are critical elements in a design that could define Falls Church's center as a unique place in the region. But the challenges of acquiring high-priced land from over a dozen landowners, and securing major financing for significant public uses, have thus far blocked activity on this side of Broad Street. To overcome these obstacles, more proactive economic development tools are needed.

What could be done

- Change the City's legal ground rules by reevaluating the Special Exception ordinance. If maintained, it must be defined more rigorously to grant exceptions to height restrictions only for developers' actions that have a strong public benefit. (A consulting firm hired by the City, Clarion Associates of Denver, has been engaged to make a comprehensive review of the Falls Church zoning code, including the Special Exception process.)
- Consider targeted use of eminent domain authority to create the Great Place commons on the north side and acquire sites for a new post office, library or other public building, a transportation hub, and public parking.
- Develop a public proposal and justification for a new bond issue to finance the City Center North development. A first step in this effort would be to estimate the development costs and annual financing costs for a prototype project reflecting a balance of public and private uses as well as the estimated net annual revenues from the prototype project and then determine if the new revenues could support the financing costs.
- Develop a new program of public/private development partnerships that would share future earnings from the City Center development between the developer and current private landowners. Such an incentive might tip the balance in persuading landowners to offer strategic properties for sale.

Some likely trade-offs

- The City is currently spending 7 percent of its annual budget for debt service, including the schools bond issue. The City Manager's recommended capital improvements program includes a \$50 million expenditure for more school construction and modernization in 2012. How much indebtedness will the city willingly accept?
- The City staff will have its hands full completing the City Center South project, assuming it meets final City approval. The City's efforts should be concentrated there rather than on a still-conjectural City Center North plan.

What critics of this approach might say

- The use of eminent domain is a "taking" infringing on the rights of business owners to control their properties. Will the City be able to make a very strong showing that the public benefits from such takings justify the use of eminent domain?
- The bigger the public space, the greater the public subsidy required. Where is the evidence that the public supports such tax expenditures?

Approach #3: Revitalize the development process with more effective citizen engagement and City decision-making

The accelerated pace of development in the City has raised questions about how well the decision-making process reflects community goals expressed in the Comprehensive Plan and City Center Vision Statement. A key concern of citizens at the first Deliberation Day event was that the current planning process too often resulted in internal negotiations with developers that locked in critical elements of development plans before the public – and sometimes boards and commissions – had a chance for meaningful input. This process is further complicated by Council action to approve projects on “first reading” based on staff recommendations and then sending a project to comment by Boards and Commissions and the public.

In the case of the City Center South project, the critical negotiations with Bowl America were led by the developer, not the City staff, according to City officials and Atlantic Realty. While the outcome might have been the same had the City headed the negotiations, we don't know whether a more proactive role by the City might have produced a better design.

What could be done

- The decision-making process by City officials, boards and commissions should move more logically, with opportunities for review and input before key decisions are locked in or perceived to be locked in. For example, the Council could adopt a policy of not voting on a project at the “first reading” without the benefit of public review and comment.
- While the City appointed a Master Design Team to review the Atlantic project, this was an ad hoc intervention that did not have broad or sustained community involvement. The City could reengage the Master Design team to continue informal review of the City Center options.
- Alternatively, the City could create a more formal body, patterned after the Open Space Acquisition Task Force, to support a more proactive role in completing the City Center project. This group could range in size from a half-dozen to two-dozen people.
- The public has not been seriously engaged in the City Center debate since the Atlantic Realty proposal was released at the end of last year. For example, the City Center page on the Falls Church City website has not been updated since December 2006. Information about Atlantic Realty's project revisions, presented last month at a public meeting, has not been made available on the City website. The entire development process could become more transparent, and communicated more effectively.

Some likely trade-offs

- Economic development is fundamentally opportunistic and the desire for a more complex public review process may interfere with results that would benefit the entire city.
- This approach could as easily produce more confusion, dissent and uncertainty surrounding the City Center project. Developers may not invest hundreds of millions of dollars in risky ventures if the rules are uncertain and the risks aren't clear.

What critics of this approach might say

- We have a 30-year history of waiting for the market to give us what we want. The market is not going to fulfill unrealistic public expectations, however earnestly they are expressed.

- Most city residents are not engaged in the development debate – they are busy with the demands of families and jobs. They expect elected officials and City staff to make the right decisions. We need to provide reasonable opportunities for input, and then let the responsible officials do the jobs they are trained or elected to do.

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Fall Deliberation Night and Deliberation Day are set for the evening of Thursday October 25 (7:00 p.m. to 9:30 p.m.) and the afternoon of Saturday October 27 (1:00 p.m. to 3:30 p.m.).

The topic is the future of the City Center. To attend, please register at <http://www.DFCCVA.org>.

Both events take place at Mary Ellen Henderson Middle School and are free to Falls Church City residents and taxpayers of high school age and above.

The events are sponsored by the Citizens for a Better City, the League of Women Voters and the Village Preservation and Improvement Society. The Center for Voter Deliberation of Northern Virginia is again providing its support.

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