



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of February 23, 2008**

SUPPLEMENTAL REPORT

DATE: February 21, 2007

- SUBJECTS:** A. GP-314-08-1 GENERAL LAND USE PLAN AMENDMENT for a property known as 800-900 N. Glebe Road [RPC #14-053-002, -004, -005, -006, -007, -008, -017, -019], generally located on the southern part of the block bounded by N. Glebe Road, Wilson Boulevard, N. Wakefield Street, and Fairfax Drive (Bob Peck and Staples Site) from "Service Commercial" (Personal and business services. Generally one to four stories. Maximum 1.5 F.A.R. with special provisions within the Columbia Pike Special Revitalization District.) to "Medium" Office-Apartment-Hotel (up to 2.5 F.A.R. Office Density, up to 115 units/acre Apartment Density, up to 180 units/acre Hotel Density) and addition of Note 23 to specify that buildings in the southwestern and western portion of the site shall consist of residential uses and have maximum heights of 50 feet.
- B. Z-2538-07-1 REZONING from "C-2" Service Commercial-Community Business Districts, "RA8-18" Apartment Dwelling Districts, and "R-5" One-Family Dwelling Districts to "C-O-2.5" Commercial Office Building, Hotel and Apartment Districts and "RA8-18" Apartment Dwelling Districts; 800-900 N. Glebe Rd., 4525 Wilson Blvd., 815 N. Woodrow St. (RPC #14-053-002, -004, -005, -006, -007, -008, -017, -019, 14-054-001, -002).
- C. SP #401 SITE PLAN: North Glebe Residential LLC, approx. 415,816 sq ft office, approx. 36,241 sq ft retail, 28 townhouses, 90 dwelling units, modification of use regulations for density; below grade exclusions from gfa; 800-900 N. Glebe Rd., 4525 Wilson Blvd., 815 N. Woodrow St. (RPC #14-053-002, -004, -005, -006, -007, -008, -017, -019, 14-054-001, -002).

County Manager: RC/GA

County Attorney: SAM

Staff: Lisa Maher and Anthony Fusarelli, DCPHD, Planning Division
Adam Denton and Jennifer Fioretti, DES, Division of Transport
David Cristeal and Betts Abel, DCPHD, Planning Division

25. A., B., C.

PLA-4880 Supp

DISCUSSION:

Staff and the applicant have continued to work out a number of development details and site plan conditions, to address issues arising from commission recommendations as well as some more complex issues including the final affordable housing agreement. Staff recommends approval of the revised and new conditions below, to replace the language in the County Manager's report dated February 15, 2008. The condition language has underlines and strike-throughs to show where language has changed from the version in the County Manager's February 15 report. Following is a summary of changes:

- Condition #6 provides for a temporary, covered sidewalk along North Wakefield Street adjacent to the west block during construction of the Jordan Manor Townhouses.
- Condition #15.j. corrects a reference to another condition.
- Condition #34 includes permission for the rear facades of the Wakefield Street Townhouses to be faced with brick in addition to the materials shown on the submitted 4.1 drawings, and also for decorative louver treatments to be shown in the final façade plans.
- Condition #68 has been substantially revised to clarify and tighten possible AHC land swap and construction scenarios, as well as to revise payment timing of the affordable housing contribution.
- Condition #70.a provides for landscape screening from the adjacent residential neighborhood if the property on the east side of North Wakefield Street is used for construction staging for Office Building A or Office Building B.
- Condition #70.e provides for a temporary sidewalk along the east side of North Wakefield Street if the site plan phases adjacent to that sidewalk are not under construction or already completed.
- Condition #79 adds that the units in the AHC Building are affordable at up to 60% of median household income.
- Condition #82 specifies that a minimum of \$100,000 of the traffic mitigation contribution shall be used for implementation of the measures described in the condition.

Revised Conditions:

Plan for Temporary Circulation Through Construction

6. The developer agrees to develop and implement (after approval) two plans for temporary pedestrian and vehicular circulation prior to and during construction. The plan covering the period prior to construction shall provide for a minimum 6-foot wide sidewalk along the Wilson Boulevard frontage of the site east of North Wakefield Street and to relocate the fence along Wilson Boulevard to eight feet measured from back of curb. The developer agrees to submit this plan to the County Manager within 60 days of site plan approval, and to complete the improvements in the plan within 120 days of approval of the plan from the County Manager.

The plan covering the period during construction shall identify temporary sidewalks, interim lighting, fencing around the site, construction vehicle routes, and any other feature necessary to ensure safe pedestrian and vehicular travel around the site during

GP-314-08-1, Z-2538-7-1,
SP #401 Peck/Staples/Jordan Manor

construction. The developer agrees to maintain a minimum six-foot wide covered sidewalk along the Glebe Road, ~~and Wilson Boulevard,~~ and North Wakefield Street (adjacent to the west block) frontages of the site at all times, with a construction entrance on the west side of North Wakefield Street, except that the County Manager may approve temporary, short term closures of the sidewalk for reasons including, but not limited to, the installation of façade elements, construction of utilities and streetscape, and other stages of construction that would pose an imminent danger to pedestrians. Exceptions may be made only during an emergency as defined below, during actual demolition, and for such limited periods as are unavoidable for utility upgrades. The developer agrees to submit this plan to, and obtain approval of the plan from, the County Manager as meeting these standards, before the issuance of the Clearing, Grading and Demolition Permit. The developer agrees to provide a copy of the approved plan to the appropriate civic associations. The County Manager may approve subsequent amendments to the plan, if consistent with this approval.

(remainder of Condition #6 not printed here)

Coordination of these plans: final site development, landscape and site engineering

(remainder of Condition #15 not printed here)

15. j. The developer agrees to install, at the developer's expense, multi-space parking meter machines of style and location, as determined by the County Manager, along the Wilson Boulevard frontage adjacent to the site and the North Glebe Road frontage adjacent to the site and as specified in Condition #867.

(remainder of Condition #15 not printed here)

Façade Treatment of Buildings

34. The developer agrees that the design of the facade treatment for the buildings and the materials to be used on the facades shall be as specified and shown on the submitted drawings identified in Condition #1 and as presented to the County Board and made a part of the public record on the County Board date identified in Condition #1, including all renderings, drawings, and presentation boards presented during public hearings. The developer agrees to submit colored drawings and renderings which label the materials and colors for each elevation of the building, including interior elevations (e.g. elevations adjacent to interior courtyards, plazas and access drives), and material samples, for review by the County Manager for consistency with this site plan approval prior to the issuance of the Footing to Grade Permit. The main facing material of the rear (east) elevation of the Wakefield Street Townhouses may be revised to brick at the developer's option. The developer further agrees to obtain the approval of the County Manager of the façade treatment as being consistent with the County Board approval before the issuance of the Final Building Permit.

(Paragraph of Condition #34 not printed here)

The developer agrees to design and implement a decorative treatment for all parking garage and loading dock doors, and for all louvers on the facades of Office Building A and Office Building B that provides pedestrian and visual interest, and architectural

compatibility, with the surrounding building façade. This design shall be submitted as part of the façade plans.

(remainder of Condition #34 not printed here)

Affordable Housing Contribution

68. Subject to approval of Site Plan #401 and related applications by the County Board on February 23, 2008, the developer of Office Building A agrees to make contributions to the County based upon the following schedule. For purposes of this condition, the four phases of construction, which may occur in any order or concurrently, are comprised of Office Building A, Office Building B, the Wakefield Street Townhouses and the Jordan Manor Townhouses. In the event that two or more phases occur concurrently, they shall each be treated as a separate phase for purposes of this condition. In addition to these conditions, various understandings between and among the applicant, Jordan Manor Housing Corporation, a subsidiary of AHC, Inc., and the County with regard to development of the site plan are set forth in a Memorandum of Understanding dated as of February 23, 2008, incorporated herein by reference.
- A. \$400,000 by June 1, 2008.
- B. \$1,600,000 shall be escrowed by the developer by August 1, 2008, in accordance with an escrow arrangement approved by the County Manager and paid to the County at closing on the Jordan Manor parcel or prior to issuance of the first Certificate of Occupancy for the first phase of construction, whichever occurs earlier, but in no event shall this payment be made later than February 23, 2011.
- C. 1. In the event that the developer of Office Building A has acquired title to the Jordan Manor parcel and elects to construct the AHC Garage as hereinafter defined, a final payment of \$3,898,846 ("Final Payment") shall be paid (subject to the provisions of Subsection D. below) to the County on or before January 31, 2010. If the Final Payment is made by January 31, 2010, under circumstances where a building permit has not been issued by the time of the Final Payment for a building permitted by approval of this site plan, then the expiration date set forth in Condition #1 shall be extended by an additional three years from the date of County Board approval of the site plan.
2. In the event that the developer of Office Building A has acquired title to the Jordan Manor parcel and has not elected to construct the AHC Garage as hereinafter defined, the Final Payment shall be paid to the County on the date of issuance of the first Certificate of Occupancy for Building A or within thirty (30) calendar days of written notification to the developer of Office Building A by the County of VHDA confirmation of tax credits for the AHC Building, whichever is earlier; however, in no event shall this

Final Payment be made later than February 23, 2011. If the Final Payment is made by February 23, 2011, under circumstances where a building permit has not been issued by the time of the Final Payment for a building permitted by approval of this site plan, then the expiration date set forth in Condition #1 shall be extended by an additional three years from the date of County Board approval of the site plan.

3. In the event that the developer of Office Building A has not acquired title to the Jordan Manor parcel prior to February 28, 2009, the Final Payment shall be made in three installments as follows: \$2,000,000 prior to the issuance of the first Certificate of Occupancy for the first phase of construction; \$949,423 prior to the issuance of the first Certificate of Occupancy for the second phase of construction; and \$949,423 prior to the issuance of the first Certificate of Occupancy for the third phase of construction.

D. In the event that the developer of Office Building A constructs the level of parking located under the AHC Building that will serve the AHC Building (the "AHC Garage"), the amount of the Final Payment to be paid pursuant to C.1. above shall be reduced by all costs associated with building the AHC Garage (hard and soft, financing and fees) (the "AHC Garage Costs"). The difference between the Final Payment and the AHC Garage Costs, if any, shall be paid to the County no later than January 31, 2010. Prior to construction of the AHC Garage, the developer of Office Building A shall provide to AHC and the County, documentation satisfactory to the County and AHC of the total estimated cost of construction of the AHC Garage, and subsequently shall provide documentation satisfactory to the County and AHC of the actual cost of construction of the AHC Garage. If the AHC Garage has not been completed by January 31, 2010, then the developer of Office Building A will provide the County and AHC with documentation satisfactory to the County and AHC of the costs incurred up to that date for the construction of the AHC Garage. No later than January 31, 2010, the developer of Office Building A will then escrow funds in the amount of the difference between the AHC Garage costs incurred up to that date and the Final Payment in accordance with an escrow arrangement approved by the County Manager. The escrow will be maintained until the AHC Garage is complete and the final AHC Garage costs have been documented to the satisfaction of the County and AHC, at which point the escrow will be distributed to the developer of Office Building A in the amount of the actual AHC Garage costs and the balance of the escrow, if any, will be paid to the County.

E. In the event that the developer of Office Building A elects to not construct the AHC Garage, then the developer of Office Building A agrees to redesign the Office Building A parking garage to include the approved number of parking spaces and parking ratios identified in the final plans approved by the County Board on February 23, 2008. The developer of Office Building A shall seek

administrative change approval of the alternative design which shall result in no or insignificant changes to the approved Site Plan at or above grade.

F. So long as the developer of Office Building A has made the payments set forth in A through C above, even if the developer of Office Building A has not acquired title to the Jordan Manor parcel, nothing in this Site Plan condition shall preclude construction of Office Building A, Office Building B and the Wakefield Street Townhouses, as approved by the County Board on February 23, 2008.

Phasing Plan and Ninth Street North Easements

70. The developer agrees to obtain approval of the County Manager of a phasing plan prior to the issuance of an Excavation Sheeting and Shoring permit for any phase of the site plan, and to implement the approved plan. During the phasing of construction, the developer further agrees to appropriately maintain the site and any buildings located within it. This shall include, but not be limited to, maintaining landscaping, keeping the grass mowed, and removing litter and debris from the site. Until the buildings are demolished, the developer agrees to maintain access on the site for fire emergency vehicles. Improvements required by these site plan conditions shall be constructed in phases, consistent with the phasing plan for construction of the project. Any changes in the project phasing shall require a new phasing plan approved by the County Manager prior to the issuance of any permits. The phasing plan shall be consistent with the following provisions:

a. Prior to the issuance of a Clearing and Grading Permit for each phase of the site plan, the developer shall submit to, and obtain approval of the County Manager of an interim landscape plan for any portion of the project upon which demolition has occurred that is not commencing construction. The landscape plan shall include perimeter screening plantings and/or fences as approved by the County Manager. Interim landscaping along the east side of North Wakefield Street shall be designed to screen from view, from the west and south, construction equipment staged on the AHC Building or Wakefield Street Townhouse sites for construction of Office Building A or Office Building B. Installation of all elements of the interim landscape plan shall be completed within 90 days of approval of the plan, unless otherwise directed by the Urban Forester due to weather/planting season constraints.

(remainder of Condition #70 not printed here)

e. Prior to connection of partial or complete, temporary or permanent, Ninth Street North to North Wakefield Street, and if the permanent streetscape on the east side of North Wakefield Street has not been constructed per Condition #21, the developer agrees to provide a temporary six-foot wide sidewalk along the east side of North Wakefield Street, east of the existing pavement, except that if either the Wakefield Street Townhouses or the AHC Building has begun construction, a temporary sidewalk adjacent to that phase of the site plan under construction need not be provided.

AHC Building Conceptual Approval

79. The developer agrees that the AHC building is only conceptually approved and must obtain a site plan amendment for final approval which amendment shall include the following elements:
- a. Maximum of 90 residential units, all affordable to households earning up to 60% of median income;
 - b. Maximum height of 50 feet to main roof from average site elevation;
 - c. Parking ratio from 0.7 to 1.0 spaces/unit, at the discretion of the developer of this building;
 - d. Footprint approximately as shown on the plans dated February 6, 2008;
 - e. Additional features including ground floor residential unit entrances facing Wilson Boulevard and North Wakefield Street and primarily masonry facades on all sides of the building.

(remainder of Condition #79 not printed here)

Traffic Mitigation Measures

82. The developer agrees to contribute \$125,000 (adjusted for inflation by the U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index for Urban Consumers (CPI-U) Inflation Calculator if not contributed by February 23, 2009) for neighborhood traffic mitigation measures for use in the Bluemont Civic Association, coordinated through the Neighborhood Traffic Calming program. If funds remain after the projects final phase receives the master certificate of occupancy, the Department of Environmental Services will work with the Bluemont Civic Association to use the balance of the funds to make pedestrian and traffic mitigation related improvements in the Bluemont neighborhood. A minimum of \$100,000 shall be used for implementation of traffic mitigation measures or for any subsequent pedestrian and traffic mitigation related improvements as described above.

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MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (this "MOU") is made as of this ____ day of _____, 2008, by and among Jordan Manor Housing Corporation, ("JMHC"), a subsidiary of AHC Inc., ("AHC"); (JMHC and AHC being collectively referred to herein as the JMHC Parties); North Glebe Road Residential, L.L.C. ("JBG"); and the County Board of Arlington County, Virginia, a body corporate and politic (the "County").

RECITALS:

- R-1. JMHC owns certain real property located in Arlington County, Virginia, improved with residential units identified by Arlington County, Virginia RPC #s 14-054-001 and 14-054-002 (the "Jordan Manor Property").
- R-2. JBG owns certain real property located in Arlington County, Virginia identified by Arlington County, Virginia RPC #'s 14-053-002,-004, -005, -006, -007, -008, -017, and -019, commonly known as the "Peck Site".
- R-3. JBG with the consent of JMHC filed a joint application with the County seeking approval of Site Plan No. 401 and other land use related applications (collectively the "Site Plan Application) with regard to the Peck Site and the Jordan Manor Property.
- R-4. A portion of the Peck Site includes a proposed 90 unit/100% affordable apartment building, subject to approval of adequate County funding, and related improvements to be constructed by the JMHC Parties as shown on the drawings submitted in connection with the Site Plan Application which apartment building is labeled as " " (the "AHC Building"). The level and duration of affordability shall be defined in future Affordable Housing Investment Fund (AHIF) applications to the County Board from JMHC and approved by the County Board. The standard for affordability shall be units with rents affordable to households earning up to 60% of the Area Median Income (AMI) for a targeted period of 60 years from the date of completion.
- R-5. In order to promote the goal of providing affordable housing within Arlington County, the JMHC Parties and JBG, with JMHC's consent, have filed the Site Plan Application and in conjunction with the approval of the Site Plan Application, JMHC has agreed to convey to JBG the Jordan Manor Property and JBG has agreed to convey to JMHC in exchange therefor a portion of the Peck Site upon which the AHC Building is to be constructed pursuant to an exchange agreement to be executed among JMHC Parties and JBG (the "Exchange Agreement").
- R-6. In connection with the implementation of the Exchange Agreement and the ultimate construction of the AHC Building by the JMHC Parties, JBG has agreed to provide to the County certain funds totaling \$5,898,846.00 to be disbursed to

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the County in the manner and under the conditions set forth in Site Plan Application condition no. 68 of the development conditions set forth in the Site Plan Application.

R-7. JBG, the JMHC Parties and the County desire to execute this MOU in connection with the approval of the Site Plan Application to set forth certain understandings among the parties hereto.

NOW, THEREFORE, the parties agree as follows:

1. The JMHC Parties and JBG agree to negotiate in good faith, execute and implement the Exchange Agreement described in R-5 above and other related agreements including: The Joint Development Agreement, REA and Overall REA as described in the Exchange Agreement and as otherwise described in the Site Plan Application development conditions.

2. JMHC shall deliver to JBG the Jordan Manor Property free of tenancies, improvements and any environmental matters and JBG shall deliver to JMHC the land for the construction of the AHC Building free of tenancies, improvements and any environmental matters, as described in the Exchange Agreement.

3. JBG agrees to fund an affordable housing contribution to the County in the manner set forth in Site Plan Application condition no. 68 of the Site Plan Application.

4.

(a) The JMHC Parties agree to apply to the Virginia Housing Development Authority (VHDA) for 9% tax credits for the proposed 90-unit /100% affordable apartment building on the former Peck site in 2009, not later than the deadline date for applying for 2009 tax credits. The 90-unit\100% affordable apartment building shall be subject to approval by the County Board of adequate County funding. In the event that the JMHC Parties do not receive 9% credits from the 2009 award cycle, they commit to re-apply for 9% tax credits in 2010. Should the JMHC Parties again not receive 9% tax credits, the JMHC Parties will submit an application for 4% tax credits. If the JMHC Parties receive 4% tax credits, or VHDA has not granted any tax credits for its 90-unit building, the County Manager, after consulting with the Housing Commission, shall bring to the County Board all applications for AHIF funds from the JMHC Parties, and the County Board will consider all such applications in a timely manner. In the event that the County Manager does not bring to the County Board such applications or the County Board fails to consider such applications in a timely manner, the JMHC Parties shall have the right to bring a legal action in the Arlington Circuit Court to enforce the obligation to consider in a timely manner making an appropriation of AHIF funds for the purposes set forth in the applications

(b) The County agrees, as hereafter set forth, in connection with the closing under the Exchange Agreement to seek County Board approval of the release of its Affordable Housing Investment Fund Deed of Trust dated September 23, 2003 and

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recorded in Deed Book 3599 at Page 2097 among the land records of Arlington County, Virginia and to release the Deed of Easement and Declaration of Restrictive Covenants dated September 26, 2003, and recorded in the land records of Arlington County, Virginia. The JMHC Parties agrees to execute a new Deed of Trust, Promissory Note and Deed Covenant on the AHC Building Parcel subject to County Board approval of an application by the JMHC parties for the conveyance of the existing indebtedness for the repayment of an AHIF loan in the amount of approximately \$220,000 owed to the County and the release of the existing Promissory Note, Affordable Housing Investment Fund Deed of Trust dated September 23, 2003, and Deed of Easement and Declaration of Restrictive Covenants dated September 26, 2003. The JMHC Parties also agree to execute a new Deed of Trust, Promissory Note and Deed Covenant on all new funding approved by the County Board as part of the proposed financing for the 90 unit/100% affordable apartment building as further described in paragraph 6 (a) – (c) below.

5. The County agrees to cooperate with the JMHC Parties and JBG in connection with the expeditious review and process of all plans and permit applications, including the application for subdivision plat approval required in order to create the legal parcel to be conveyed to JMHC pursuant to the Exchange Agreement. The County also agrees to cooperate with JMHC in scheduling its Major Site Plan Amendment for consideration by the County Board at its meeting on July 19, 2008.

6. The County agrees on its part to consider the following applications from the JMHC Parties for funds in the form of residual receipts loans from the County's AHIF funds to enable the JMHC Parties to proceed with the implementation of the Exchange Agreement and the ultimate construction of the AHC Building:

(a) An applicaton by the JMHC Parties for consideration by the County Board at its meeting of July 19, 2008, to release the existing Promissory Note, Affordable Housing Investment Fund Deed of Trust dated September 23, 2003, and Deed of Easement and Declaration of Restrictive Covenants dated September 26, 2003 and conveyance of the existing indebtedness of approximately \$220,000 relating to the Jordan Manor Property to the new AHC Building parcel, and concurrently within the same application,

(b) An application for AHIF funds of up to \$2,000,000 from the JMHC Parties for consideration by the County Board at the July 19, 2008 County Board meeting. These funds would allow the JMHC Parties to relocate tenants, remediate any environmental hazards and demolish the Jordan Manor Property apartment complex. The funds would also enable the JMHC Parties to pay off the existing bond indebtedness on the Jordan Manor Property. If approved, the funds would be disbursed within five (5) days from the date the JMHC Parties obtain a demolition permit for the demolition of the existing improvements on the Jordan Manor Property.

(c) An application for AHIF funds of approximately \$3,898,846 from the JMHC Parties for consideration by the County Board at the December 13, 2008 County Board meeting in order to meet VHDA's 9% tax credit application deadline or which application is for the purpose of funding any obligations incurred by the JMHC

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Parties themselves, to JBG or to others in connection with the construction of the AHC Building. The amount of \$3,898,346 is approximate because the cost to subsidize the affordable units at the level of affordability desired by the County cannot be determined exactly at this time and could result in a financing gap that could exceed the total amount to be contributed by JBG).

7. The JMHC Parties agree to adhere to applicable County relocation guidelines, as set forth in Site Plan Application condition no. #7 of the Site Plan, relating to the relocation of existing residents of the Jordan Manor Apartments.

8.

Pursuant to The Exchange Agreement and The Joint Development Agreement, the JMHC Parties agree to pay to JBG any and all funds due to JBG relating to the allocation of joint infrastructure costs in the event that the joint infrastructure is implemented by JBG, and JBG agrees to pay to the JMHC Parties any and all funds due to the JMHC Parties relating to the allocation of joint infrastructure costs in the event that the joint infrastructure is implemented by the JMHC Parties.

9. Each of the JHMC Parties and JBG shall cooperate with each other in connection with the implementation, development and construction of the improvements contemplated by the Site Plan Application. In addition, each of the JMHC Parties and JBG shall be permitted and shall have the unqualified right to file with respect to the property owned by it, (or any portion thereof), and without the joinder or consent of the other, such applications for amendments to the Site Plan approved pursuant to the site Plan Application, including but not limited to amendments seeking (i) a change of use for its land; (ii) the addition of additional parcels or land areas included in the Site Plan as approved; and (iii) the increase or decrease in the gross floor area permitted on its property or any parcel(s) as may be added to the site Plan by either party provided that any such Site Plan Amendment request: (x) does not change the use of any other parcel without the consent of the owner of such parcel; (y) does not decrease the allowable gross floor area of the owner of any other parcel; or (z) does not result in any modifications of any parking requirement of any other party without the consent of such party.

AHC, INC.

By: _____

Name: _____

Title: _____

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JORDAN MANOR HOUSING CORPORATION

By: _____
Name: _____
Title: _____

NORTH GLEBE ROAD RESIDENTIAL, L.L.C.

By: _____
Name: _____
Title: _____

THE COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA

By: _____
Name: _____
Title: _____ County Manager