

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 20, 2010

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF A RESOLUTION SUPPORTING THE VICTORY CENTER (5001 EISENHOWER AVENUE) FOR THE LOCATION OF THE DEFENSE INTELLIGENCE AGENCY AND/OR THE DEPARTMENT OF DEFENSE MEDICAL COMMAND HEADQUARTERS

ISSUE: Consideration of a resolution expressing support of the Victory Center building and site as the preferred location for current federal agency Requests for Proposal (RFP's) with specialized security requirements.

RECOMMENDATION: That City Council: (1) adopt the attached resolution expressing support for the Victory Center building and site (Attachment 1); and (2) communicate the City's position to appropriate federal audiences.

BACKGROUND: On January 19, 2010, the Alexandria Economic Development Partnership (AEDP) Board of Directors sent a letter to City Council (Attachment 2) requesting Council's formal support of ongoing efforts to lease the Victory Center building and site to a federal tenant. The Victory Center is a 605,000 square foot building located at 5001 Eisenhower Avenue that was vacated by the Army Material Command a number of years ago. It represents about half of all office vacancy in the City. Since that time, the building has been completely renovated and a site plan has been approved by the City to allow for construction of an additional 650,000 square foot building and two structured parking facilities to create a highly secure office campus.

The site can meet the highest federal security requirements and standards (Antiterrorism Force Protection Standards), and is positioned within walking distance of the Van Dorn Metrorail station. The approved plans for the site are compatible with neighboring uses and require minimal transportation infrastructure improvements to support its successful tenancy.

The City staff and AEDP have been working for many years to promote the Victory Center site to federal agencies and contractors. The site was a finalist in 2008 in the BRAC-133 office campus selection process. As part of the actions to lease the building, the City has worked closely with the building's owners and has taken actions and held meetings with senior federal officials to promote this site. Currently, there are two security-driven federal lease prospectuses

in the market that the Victory Center is positioned to respond to: (1) The Department of Defense Medical Command Headquarters (750,791 rentable square feet), and (2) offices for the Defense Intelligence Agency (DIA) (523,482 rentable square feet). Both are high profile agencies and would bring thousands of high-paying jobs to the City. The Victory Center is now on a short list of possible sites for both of these federal agencies. The Victory Center is in a unique position as an existing facility that is Metrorail and transit accessible but also is able to provide the security and setback requirements defense and intelligence agencies require. A future VRE heavy rail stop is also a long-range possibility. Since these are lease scenarios, the Victory Center would remain on the City's tax rolls.

A formal resolution of support from the City Council will bolster the Victory Center's submissions to compete for these requirements, and will send a positive message to federal decision makers about the City's desire to have these uses in Alexandria. Since other jurisdictions are competing for these two federal agencies, a formal resolution by Council will aid in the competitive process, as well as clearly communicate the City's position to our Congressional delegation. With the federal government the likely largest net lessee of office space in the Washington, D.C. region for the next few years, and with Metrorail to Dulles link to Tyson's Corner due for completion in 2013, it is important for the City to proactively and aggressively seek quality federal tenants to fill the Victory Center. This is one of the reasons AEDP has in the past year adopted the slogan "Federal Friendly Zones," and it and the City have engaged in numerous meetings and taken actions to promote the Victory Center, the Eisenhower East area and Potomac Yard as potential sites for major federal agency leased office space locations (with the type of desired agency security standards driving where a federal agency might best fit).

The proposed resolution also states that the City would support other federal government security-sensitive entities should they issue future prospectus where the Victory Center would be an appropriate location.

ATTACHMENTS:

Attachment 1. Draft Resolution

Attachment 2. January 19, 2010, letter from the AEDP Board of Directors

STAFF:

Mark Jinks, Deputy City Manager

Val Hawkins, President & CEO, Alexandria Economic Development Partnership

RESOLUTION

WHEREAS, the City of Alexandria, its economic development partners, and the owners of the Victory Center at 5001 Eisenhower Avenue have been working for a number of years to promote the Victory Center as an office site for federal agencies and contractors; and

WHEREAS, the City's draft strategic plan identifies the targeting of federal users and associated contractors (in leased, not owned space) as a primary opportunity for economic development in Alexandria; and

WHEREAS, the City is attractive to federal tenants because of its close proximity to major government facilities and military installations; and

WHEREAS, most federal agencies have contractor tails, or groups of related businesses that locate adjacent to federal offices in leased office space; and

WHEREAS, vacant office space is a ready asset for increased economic growth and the Victory Center building represents half of the vacant inventory in the City; and

WHEREAS, the City has approved land use plans for major office users for which federal government requirements can be compatible; and

WHEREAS, office space use represents one of the highest net tax yielding forms of land use for the City which helps keep residential tax burdens lower than they otherwise would be; and

WHEREAS, the leasing of the Victory Center to a federal tenant would help jumpstart economic activity in the Eisenhower West area and would support the start of a small area plan in that area to capture positive spin-off effects; and

WHEREAS, the City welcomes the federal government as a corporate entity providing investment and jobs in a variety of Alexandria commercial neighborhoods; and

WHEREAS, the General Services Administration has prepared two separate lease prospectuses which the Victory Center building and site are on the short list and positioned to respond to; and

WHEREAS, the City has other sites and buildings in the Carlyle, Potomac Yard and Eisenhower Avenue area that can accommodate future federal lease requirements; and

NOW, THEREFORE, BE IT RESOLVED THAT, the City of Alexandria strongly supports the Victory Center building and site as the preferred location in response to security-sensitive federal lease prospectus requirements including but not limited to the Department of Defense Medical Command Headquarters and the Defense Intelligence Agency; and

BE IT FURTHER RESOLVED THAT, the City of Alexandria requests the support of its federal elected officials in promoting the Victory Center building and site as a viable and competitive candidate for these two federal prospectuses.

Adopted: _____

William D. Euille, Mayor

ATTEST:

Jacqueline M. Henderson, CMC, City Clerk



January 19, 2010

Honorable Mayor William D. Euille and Members of the Alexandria City Council
Alexandria City Hall
301 King Street, Room 2300
Alexandria, Virginia 22314

Dear Mayor Euille and Members of City Council,

On behalf of the Board of Directors of the Alexandria Economic Development Partnership (AEDP) I write to request Council's formal support of the ongoing efforts to lease the largest vacant office building in the City of Alexandria, specifically to a federal tenant. This request is based on an action taken by the AEDP Board at a special meeting held on January 19, 2010. The City and our staff have been working for a number of years closely with the owners and brokers representing the property to assure that the Victory Center is the clear choice for a number of federal space requirements previously and currently under competition.

Building on the City's successful experience with the US Patent and Trademark Office (USPTO), the City Council can best leverage these efforts at this point in time by passing a resolution that endorses the Victory Center site as the City of Alexandria's preferred location for two major high-profile security-sensitive federal requirements currently on the market. These include but are not limited to the following solicitations:

- The Department of Defense Medical Command Headquarters: 750,791 rentable square feet
- The Defense Intelligence Agency (DIA): 523,482 rentable square feet

The existing Victory Center building, more than 605,000 square feet, represents almost half of the City's vacant office space. The site can also support 650,000 square feet of new construction, approved under the existing Development Special Use Permit. The site is located within the required walking distance of the Van Dorn Metro station and capitalizes on existing transportation and required infrastructure. The location of a federal agency at this site will also help jump start the Eisenhower West small area planning process.

The Council's leadership in identifying and highlighting the Victory Center as the priority location for the next federal agency requirements within the City of Alexandria should make its submission in response to a federal request for proposal (RFP) more competitive, and ultimately lead to the

successful leasing of this prominent facility. Additionally, there are a number of other sites within the City that may prove to be appropriate for other future federal requirements. We look forward to continuing to work with City Council and City staff to facilitate the successful development and lease-up of these properties.

Sincerely,

A handwritten signature in black ink that reads "Allison Cryor DiNardo". The signature is written in a cursive, flowing style.

Allison Cryor DiNardo
Chair

cc: AEDP Board of Directors
Jim Hartmann, City Manager
Mark Jinks, Deputy City Manager

RESOLUTION NO. 2381

WHEREAS, the City of Alexandria, its economic development partners, and the owners of the Victory Center at 5001 Eisenhower Avenue have been working for a number of years to promote the Victory Center as an office site for federal agencies and contractors; and

WHEREAS, the City's draft strategic plan identifies the targeting of federal users and associated contractors (in leased, not owned space) as a primary opportunity for economic development in Alexandria; and

WHEREAS, the City is attractive to federal tenants because of its close proximity to major government facilities and military installations; and

WHEREAS, most federal agencies have contractor tails, or groups of related businesses that locate adjacent to federal offices in leased office space; and

WHEREAS, vacant office space is a ready asset for increased economic growth and the Victory Center building and its approved site plan afford the federal government near-term occupancy along with substantial expansion capabilities; and

WHEREAS, the City has approved land use plans for major office users for which federal government requirements can be compatible; and

WHEREAS, the Van Dorn Metro rail station is located within one-half mile of the Victory Center, affording federal workers convenient, affordable mass transit options; and

WHEREAS, the Victory Center is likewise located near the Eisenhower Avenue interchange with the Capital Beltway; and

WHEREAS, the City welcomes the federal government as a corporate entity providing investment and jobs in a variety of Alexandria commercial neighborhoods; and

WHEREAS, the General Services Administration has prepared two separate lease prospectuses which the Victory Center building and site are on the short list and positioned to respond to; and

WHEREAS, the City has other sites and buildings in the Carlyle, Potomac Yard and Eisenhower Avenue area that can accommodate future federal lease requirements; and

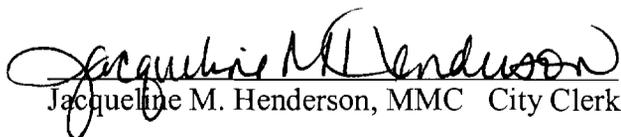
NOW, THEREFORE, BE IT RESOLVED THAT, the City of Alexandria strongly supports the Victory Center building and site as the preferred location in response to security-sensitive federal lease prospectus requirements including but not limited to the Department of Defense Medical Command Headquarters and the Defense Intelligence Agency; and

BE IT FURTHER RESOLVED THAT, the City of Alexandria requests the support of its federal elected officials in promoting the Victory Center building and site as a viable and competitive candidate for these two federal prospectuses.

Adopted: January 26, 2010

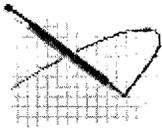

WILLIAM D. EULLE MAYOR

ATTEST:


Jacqueline M. Henderson, MMC City Clerk

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1-26-10



Kerry Donley/Alex
01/25/2010 09:31 PM

To wmeuille@wdeuille.com, aliciarhughes@gmail.com,
frank.fannon@suntrust.com, council@krupicka.com,
delpepper@aol.com, paulcsmedberg@aol.com
cc jackie.henderson@alexandriava.gov,
jim.hartmann@alexandriava.gov,
michele.evans@alexandria.va.gov, judy.stack@alexandriava.gov
bcc

Subject Docket Item #18 - Victory Center Resolution

History: This message has been forwarded.

Colleagues -

Tuesday night we will consider a resolution endorsing the Victory Center as our top priority for federal tenancy. As you may know, they are a finalist in two federal projects and our affirmative support of this site may help secure one of these federal agencies as a tenant at the building. If successful, we can cut our current office vacancy rate by 50%. This resolution is also an affirmative statement by the Council to support this site for a federal agency during the economic downturn in which federal procurements might be our best option to expand our tax base.

In reviewing the resolution, I would like to recommend a couple of changes which will make it read a bit more favorably for a potential federal user.

First, I recommend that we delete the 7th and 8th whereas clauses as they are a bit self-serving and are not pertinent to a federal user.

Second, in the fifth whereas clause we delete the last section beginning with "representing..." and add "and its approved site plan afford the federal government near-term occupancy along with substantial expansion capabilities; and".

Third, in place of the 7th whereas clause we add "Whereas, the Van Dorn Metro rail station is located within one-half mile of the Victory Center, affording federal workers convenient, affordable mass transit options; and".

Finally, in place of the 8th whereas clause we add "Whereas, the Victory Center is likewise located near the Eisenhower Avenue interchange with the Capital Beltway; and".

I think these changes reflect the advantages of the Victory Center site as a federal facility without changing the major points of the resolution which supports the Victory Center as a top economic development priority in the City.

Thanks for your consideration.

Kerry

REVISED AS OF 1/26/10 PER VICE MAYOR SUGGESTIONS

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WHEREAS, the City is attractive to federal tenants because of its close proximity to major government facilities and military installations; and

WHEREAS, most federal agencies have contractor tails, or groups of related businesses that locate adjacent to federal offices in leased office space; and

WHEREAS, vacant office space is a ready asset for increased economic growth and the Victory Center building ~~represents half of the vacant inventory in the City and its approved site plan~~ **afford the federal government near-term occupancy along with substantial expansion capabilities;** and

WHEREAS, the City has approved land use plans for major office users for which federal government requirements can be compatible; and

~~WHEREAS, office space use represents one of the highest net tax yielding forms of land use for the City which helps keep residential tax burdens lower than they otherwise would be; and~~

WHEREAS, the Van Dorn Metro rail station is located within one-half mile of the Victory Center, affording federal workers convenient, affordable mass transit options; and

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