

## **CAPSTONE COLLEGIATE COMMUNITIES, LLC**

### **Statement of Justification February 16, 2018**

Capstone Collegiate Communities, LLC (the "Applicant") is the contract purchaser of approximately 6.15 acres located in the City of Fairfax. The property is identified as tax parcel 57-2 ((20)) 6A (the "Subject Property") and is located in the northeast quadrant of University Drive and Democracy Lane. Currently zoned to the CR Commercial Retail District, the Subject Property is developed with low-rise office buildings and associated surface parking. The aging office buildings, constructed in approximately 1978, are approximately 50% vacant. Given the age of the office buildings and condition of the current office market, the Subject Property's use as commercial office is no longer viable. The Applicant is proposing to rezone the Subject Property to the Planned Development Residential (PD-R) and Old Town Fairfax Transition Overlay (TO) Districts to permit the redevelopment of the Subject Property with a multifamily residential community that will be marketed primarily to graduate and undergraduate university students.

#### **APPLICANT OVERVIEW**

The Applicant specializes in the development, construction, and management of high-quality off-campus student housing in proximity to major colleges and universities across the country. Formed in January 2012 as part of the restructuring of Capstone Development, which had over 23 years of student housing experience, the Applicant is a market leader in the student housing industry. At the time of restructuring, the Applicant had a portfolio of 131 student housing communities in 33 states throughout the country. The Applicant's communities are professionally managed by a staff that maintains a 24/7 presence on-site. Through its years of experience in the student housing industry, the Applicant has developed a business model and management practices that create quality, successful, and secure communities.

While its communities are privately owned and managed, the Applicant works closely with the proximate university and the local jurisdiction. The proposed development in the City would be marketed primarily to graduate and undergraduate students of George Mason University ("GMU"), located approximately one mile south of the Subject Property. As GMU continues to grow, so does the need for additional off-campus student housing. The Applicant's proposal meets the growing need for student housing by providing GMU students with a secure, professionally managed housing option that is proximate to campus. The proposal will benefit the City in the form of commercial tax revenue, the generation of additional activity in the City's business district, and the addition of residential use in downtown Fairfax.

#### **PROPOSED DEVELOPMENT**

The proposed improvements are detailed on the submitted Master Development Plan (the "MDP"), prepared by Christopher Consultants. As illustrated in the MDP, the Applicant's

proposal consists of two (2) connected multifamily residential buildings that will vary in height between four (4) and five (5) stories, with the highest point centrally located on the Subject Property to minimize impacts on adjacent residential communities. A total of 268 dwelling units are proposed, comprised of a mix of studios, one bedroom, two bedroom and four bedroom units. Each unit will include one bathroom per bedroom, a common living area with complete kitchen facilities, and a washer/dryer. The Applicant anticipates either fully furnished units, or offering a furniture package option to its residents. In accordance with its established business model, the Applicant will enter into a separate lease agreement by bedroom with each individual resident, and the term of each lease will be a minimum of twelve (12) months. In accordance with Zoning Ordinance requirements, no more than four (4) unrelated individuals will be permitted to occupy a single unit. Based on the anticipated mix of units, the proposed community will house approximately 750 - 800 residents.

The Applicant has designed the proposed community to ensure that it is compatible with the surrounding area, transitions appropriately to existing and planned residential uses, and facilitates future development in this area of the City by initiating framework for a future street grid.

The proposed development is characterized by exceptional site design that activates the currently underutilized parcel with a high quality, vibrant residential community. The proposed buildings are primarily oriented to University Drive and Democracy Lane, with a portion of the western building oriented to Layton Hall Drive. This orientation creates an activated streetscape along the property's frontages that is characterized by landscaping, courtyards and sidewalks that will enhance the pedestrian experience and provide connectivity to downtown Fairfax. The proposed buildings are designed with traditional features that will be compatible with downtown Fairfax. Building materials may include brick, asphalt shingle and standing seam roofs, lap siding and other quality materials. The façade along University Drive is broken up through the use of articulation and a variety of building materials, thereby reducing the size and scale of the multifamily building. This portion of the building has been designed to a maximum height of four (4) stories to establish a transition to the existing townhomes across University Drive. A twenty (20) foot setback is proposed along University Drive to further mitigate impacts on these townhomes. The building's façade resembles townhouses in appearance, which will be compatible with the proximate community. The ground floor of the proposed building at the intersection of University Drive and Democracy Lane is activated with the placement of amenity space and a leasing/management office in this area.

The Applicant is committed to minimizing impacts on adjacent and nearby residential communities by providing an adequate number of parking spaces on-site to accommodate the future residents and their visitors. Pursuant to Section 3.7.3.E of the Zoning Ordinance, a minimum of 1.5 parking spaces per dwelling unit are required in the TO District. A range of 636 to 786 parking spaces are proposed, pending final design, which is in excess of Zoning Ordinance requirements. The provided parking consists of surface spaces and garage spaces located in an above grade parking structure that is accessible from Democracy Lane and Layton Hall Drive. The garage will include an area for bicycle storage. Additional on-street parking, including a dedicated loading space, is proposed along Democracy Lane. The parking garage is

wrapped on all four sides by residential units, thereby shielding the garage from the view of adjacent properties.

The proposed community will include a variety of high quality amenities, such as game rooms, fitness facilities, common gathering spaces and group study rooms. An outdoor courtyard area is proposed, and has been located in the interior of the buildings to mitigate any noise impacts on nearby residential communities. Approximately 24% of the total site area will be provided as open space in the form of a landscaped perimeter, courtyards, and plaza amenities.

The proposed development will include on-site underground stormwater management and best management practices (BMP) facilities that will comply with all applicable stormwater regulations. The proposed lot coverage is within the maximum 90% permitted within the TO District.

## COMPREHENSIVE PLAN AMENDMENT

The Future Land Use Map for the City of Fairfax indicates that the Subject Property is planned for Business – Commercial use. Although not currently located within the boundaries of the TO District, the Comprehensive Plan (the “Plan”) recommends that the Subject Property be included in the TO District, either upon application from the property owner in conjunction with a rezoning or as part of a larger City-initiated rezoning. The proposed multifamily development will require a Plan amendment consistent with the recommendation to include the Subject Property in the TO District. The Applicant proposes that the Plan be amended to re-classify the Subject Property as Residential – High, concurrent with a rezoning to the PD-R and TO Districts.

The Applicant’s proposal is consistent with the Plan’s overall strategies and objectives, which support an amendment. Strategy LU2.1 in the Land Use section of the Plan provides that proposed development in the City should be evaluated based on its consistency with the guidance provided in the Plan as a whole. Objective LU-4 of the Land Use section sets forth strategies intended to promote Old Town Fairfax as the City’s historic core and downtown cultural activity center. These strategies include: 1) emphasizing the pedestrian access and usability in old town; 2) encouraging a mix of uses, including residential, in Old Town Fairfax; and 3) attracting cultural activities and facilities to Old Town, particularly during the evening hours, by supporting and encouraging restaurants and retail establishments. Objective HOU-5 of the Housing section of the Plan provides strategies for managing the existing and anticipated housing needs generated by GMU. Strategy HOU-5.1 encourages collaboration on finding solutions to GMU’s housing problems including potential shortages, overcrowding, excessive parking demand, traffic and noise in residential neighborhoods.

The proposed development fulfills the stated Plan objectives listed above. The development will create a pedestrian friendly streetscape along University Drive and Democracy Lane that will provide convenient, walkable access to downtown Fairfax. The proposed multifamily residential use will contribute to the diversity of uses in the City while attracting several hundred year-round residents to the downtown. These residents will shop, eat and work at many of the existing local businesses, and their presence will incentivize future economic

development and investment. In addition to bolstering the economic health of the City's downtown, the proposed student housing community will address each of the problems identified by HOU-5.1. The proposed development will provide housing for GMU students in a professionally managed and secure setting, thereby alleviating impacts on residential communities. The Applicant is committed to working with the City and GMU to provide a reliable transportation option for the residents to commute to GMU, and to ensure that the parking needs of the residents are met on-site. Finally, the proposed Residential – High classification is consistent with the planning the Layton Hall multifamily community to the north. Because the proposed development advances the foregoing objectives as stated in the Plan, and given that the proposed Residential – High classification is compatible with adjacent properties, the requested Plan amendment is warranted.

## REZONING APPLICATION

The following information is provided in accordance with Sections 3.8.2.C and 6.4.9 of the Zoning Ordinance in support of the proposed rezoning:

In addition to a Plan amendment, the Applicant is requesting a concurrent rezoning of the Subject Property from the CR District to the PD-R and TO Districts. As discussed above, the Applicant's proposal is consistent with the stated objectives of the Plan. The proposal advances one of the City's primary objectives by introducing residential density to downtown Fairfax that will support existing businesses, and incentivize future investment and redevelopment in the City's economic core. The requested PD-R zoning classification will provide greater benefits to the City than a development consistent with the current CR District. The stated purpose of the CR District is to provide areas for office and general business and retail establishments, and uses accessory or complementary thereto. Given the existing condition of the office market in Fairfax and throughout the region, the continued use of the Subject Property for office purposes is no longer viable. In addition, redevelopment of the Subject Property with retail uses that would compete with existing businesses in downtown Fairfax is not a desirable outcome. The requested rezoning to the PD-R District will allow the Applicant to redevelop the Subject Property with a multifamily residential community that will create a critical mass of residential activity near the City's economic core, resulting in a substantial benefit to the City as a whole. The Subject Property is highly suitable for a multifamily residential community given its location in a highly walkable area of the City and proximity to shops, restaurants and community amenities. The existing infrastructure is adequate to support the proposed use, and the Applicant's proposed connection of Layton Hall Drive and Democracy Lane will improve traffic circulation and initiate a future street grid in this area. Given that the community will be marketed primarily to graduate and undergraduate university students, the Applicant does not anticipate any impacts on public schools. For these reasons, the proposed rezoning to the PD-R and TO Districts is justified.

In conjunction with the proposed rezoning application, the Applicant requests approval of the following special exception applications:

1. Pursuant to Section 6.17.1(B)(3) of the Zoning Ordinance, a special exception is hereby requested to allow a modification of the forty eight (48) foot maximum building height in the TO District.

In accordance with the approval criteria for special exceptions set forth in Section 6.17.7 of the Zoning Ordinance, the requested modification of maximum building height will not materially or adversely impact adjacent land uses or the physical character of uses in the immediate vicinity of the Subject Property. As shown on the MDP, the height of the proposed development ranges from four (4) to five (5) stories, which is consistent with the maximum number of stories permitted under the current CR zoning classification. As discussed above, the tallest point of the building is centrally located on the Subject Property and further from existing residential communities thereby avoiding any adverse impacts. The Applicant has designed the portion of the building located along University Drive at a height of four (4) stories to maintain an appropriate transition to the proximate townhouses to the west. The existing grade along this portion of the property will be lowered to reduce the apparent height of the building and to create a more desirable streetscape. Lastly, the additional building height will allow the Applicant to screen the proposed parking garage, thereby mitigating impacts on nearby residential uses and not adversely impacting the character of the area.

2. Pursuant to Section 6.17.B.4 of the Zoning Ordinance, a special exception is hereby requested to allow a modification of the mandatory fifty percent (50%) build-to line requirement in the TO District.

As shown on the MDP, the proposed buildings are oriented to the surrounding street network including University Drive, Democracy Lane, Layton Hall Drive, and the proposed street on the eastern portion of the Subject Property. This orientation is intended to activate the street frontages around the Subject Property by bringing the buildings to street level, consistent with the objectives of the TO District's mandatory build-to line requirement. The proposed buildings are not, however, built to the property line, in consideration of nearby residential uses. A twenty (20) foot setback is provided along the University Drive frontage, and a fifteen (15) foot setback is provided along Layton Hall Drive. The proposed layout strikes a balance between activating the streetscape around the Subject Property with a building proximate to the street, while maintaining an effective transition to the adjacent neighborhoods.

3. Pursuant to Section 6.17.1(B)(4) of the Zoning Ordinance, a special exception is hereby requested to allow a modification of the twenty percent (20%) tree canopy requirement set forth in Section 4.5.6(A) of the Zoning Ordinance.

The Applicant's proposal results in the provision of a 10.3% tree canopy. While less than the 20% requirement in the PD-R District, the tree canopy exceeds the amount required in various other zoning districts including the Residential Multifamily District (10%), the Planned Development Mixed Use, Commercial

and Industrial Districts (10%), and the Subject Property's existing Commercial Retail District (10%). The Applicant's ability to provide additional tree coverage is limited by the mandatory build-to line requirement of the TO District and the need to provide adequate parking facilities on-site to meet the demands of future residents thereby minimizing impacts on nearby residential streets. The proposed development will include the addition of street trees, landscaping and streetscape improvements along the University Drive, Democracy Lane and Layton Hall Drive frontages of the Subject Property, creating a more welcoming gateway into downtown Fairfax and resulting in an overall enhanced experience for pedestrians and bicyclists. In addition, the proposed layout is consistent with the permissible lot coverage permitted in the TO District.

The Applicant's proposal presents an opportunity to redevelop an aging office development with a vibrant use that will activate an underutilized parcel, attract much needed residential density to the City's downtown, and generate additional activity in an area that is critical to the City's continued economic success. The proposed community will provide downtown Fairfax with an infusion of residents who will live, eat, shop and work downtown. The proposal also represents a unique opportunity to strengthen the relationship between the City and the GMU student body. The Applicant is committed to working with the City and the surrounding community to ensure that the proposed development fits into the fabric of Fairfax.