

From: [Gary Malasky](#)
To: [Beydoun, Ousama H. "Sam" \(VDOT\)](#)
Cc: [Steve Teitelbaum](#)
Subject: OTP3 Request for Information Response - Air Rights - E. Falls Church
Date: Sunday, September 29, 2013 1:54:53 PM

My name is Gary Malasky. I have some comments that I believe will be helpful should you decide to go forward with an offering at East Falls Church.

I was the initial Senior Real Estate Advisor at WMATA (a position now held by Steve Teitelbaum). While at WMATA, the highest profile of my many activities were White Flint (8 phases, 2 completed and 1 under construction), New Carrollton (20+ acre joint offering with the State of Maryland--group led by Forest City is the selected developer), and Navy Yard West (new office building which included tripling the capacity of the Metro Station in time for the opening of the Nats baseball stadium). Prior to WMATA, I had my own office/retail development company, and was an executive at Washington Real Estate Investment Trust. I therefore have experience and perspective from both the public and private sides of real estate transactions. I recently decided to leave WMATA in order to set up a consulting practice, and to have some additional free time.

Should you go forward with an offering, I suggest that you pre-answer the following questions.

Is it permissible to bid on the land development rights without proposing or committing to build on any of the air rights? The density of development desired by Arlington County will not generally pay for air rights development. However, some air rights use may make sense, especially for Metro replacement parking, depending on final density and cost. Since this determination will likely not be known at the time of bidding, I believe many developers would choose not to bid if after doing all the analysis the air rights development did not make sense, and the bidder would not be permitted to go forward with a land only development. Also, some bidders may not want to deal with the complexity of building over air rights.

Given the split land ownership, will the private developer be able to make one offer, with the public side dividing proceeds outside of the private offer? Is such an agreement in place? Once again, if the private sector is going to take the time to respond to an offering, the bidders will want to know that they can get a reasonably prompt response to their offers based on the merits, and not have the offering fall apart because the public side cannot agree on how proceeds will be divided. I do think it would make sense for all parties to have bidders identify any offsets to price based on the special requirements of either WMATA or VDOT. Examples would be replacement of Metro parking or improvements to the I-66 roadway.

Again given the split ownership, will the land be available for purchase in fee? WMATA often prefers leasing its properties, but it is very difficult to finance a property that is part leased and part owned in fee, or on ground leases from separate owners.

How wide is the buildable I-66 right of way on each side, excluding the Metro right of way. How wide is the Metro right of way?

Will the WMATA land on the south side of the station be included? It is not marked on the

materials distributed at the GMU meeting.

Does WMATA Kiss and Ride parking and commuter parking have to be replaced on the same sides as now? For example, could all of it be on one side?

Will the offering identify how many bus bays are needed, how many parking spaces of each type will have to be replaced, and how many bike lockers are needed? Will it specify whether a reservation for future widening of I-66 will be required, and how future widening will impact air rights construction that occurs beforehand? Removing uncertainty from an offering upfront typically yields better results.

What roads around the station are controlled by VDOT? Does VDOT intend to assign special staff to facilitate approval of curb cuts and traffic for the redevelopment of the station area?

If you have questions about any of the above, I would be happy to meet or speak with you. My contact information is given below.

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