

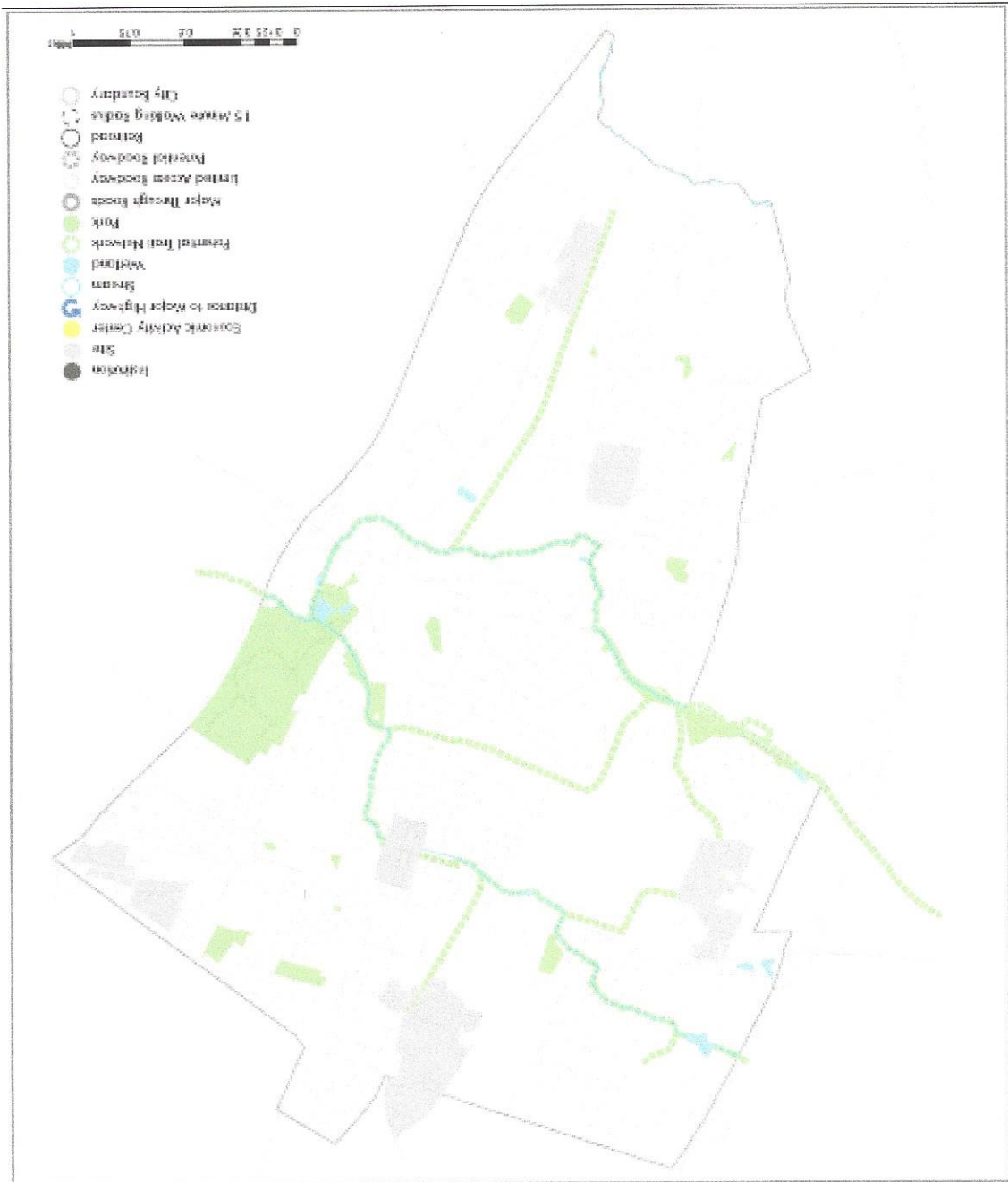


Economic Development Analysis & Master Plan

Final Report - March 28, 2011

Fig. 4. Map of Open Space Parks and Natural Areas

The City has made a strong commitment in public investments in its open space network and green assets, including Green Circle trail which serves as Winchester's "emerald necklace."



Issues and Opportunities

Ward's Plaza SWOT	
Strengths	Weaknesses
▪ Corner frontage with excellent visibility ▪ Proximate access to Rt. 37 interchange (1.5 miles) ▪ New investment nearby - office/flex industrial along Bickers St. extension ▪ Proposed County mixed residential development to the west along Cedar Creek Grade could provide expanded market base ▪ Located on existing transit route ▪ Excellent broadband capacity ▪ New 12" water main along Rte 11 frontage	▪ Character of surrounding development is aging and needs upgrading ▪ Traffic congestion along Valley Ave. ▪ Lack of identity along Valley Ave. ▪ Multiple property owners adjacent to shopping center site ▪ Poor connection to surrounding areas and residential neighborhoods ▪ Unmotivated property owner
Opportunities	Threats
▪ Acquire strategic properties to allow connections to surrounding neighborhoods ▪ Improve streetscape along Valley Avenue ▪ Potential extension of Taft Ave. through site to connect to Middle Rd. ▪ Existing PUD Zoning provisions, if applied to site, permit up to 10 units/ac ▪ Existing Corridor Enhancement (CE) overlay zone provides incentives for reduced parking and density increase ▪ Major traffic signal upgrade on Rte 11 scheduled shortly ▪ Weems Lane widening & drainage improvements in near-term VDOT 6-yr road program	▪ Underlying zoning written for older auto-oriented and suburban pattern of development could lead to piecemeal development ▪ Character of area threatened by disinvestment and strip commercial character of surrounding uses ▪ Access management issues contribute to congestion on Valley Ave.

This is a key site in the City with excellent location and regional accessibility. However, Ward's Plaza is also an example of long-term disinvestment and its rehabilitation could be an important catalyst for the revitalization of the Valley Avenue mixed commercial corridor. The concept plan shows a compact mixed-use development analogous to a "Lifestyle Center" with associated residential mid-rise development and a parking structure that would support the redevelopment of the whole area.

One key opportunity on this site is to extend Taft Avenue through the site to connect to Middle Road. This would provide better connectivity for the site and the local area as well, connecting this portion of the City to other neighborhoods in the City and areas in the County along Route 628. One strategy for the City to

facilitate this redevelopment would be to potentially condemn the site to allow the road connections to be made. The City would then solicit private developers through a RFP for a public-private partnership. The City could then use Community Development Authority (CDA) financing (or tax increment financing) for most of the infrastructure on and around the site, including the parking structure and the east-west road connection. As a further incentive, the City could structure a partial rebate of up to 20% of the business taxes including the local portion of sales tax for the property.



Ward's Plaza - Conceptual Redevelopment Site Plan



The conceptual site plan shows a mixed-use development with 14 distinct building envelopes, designed as an interconnected, pedestrian-friendly area. The site would be expected to develop in phases, with the first phase consisting of buildings 1, 2, 6, 7 and 8, as indicated in the drawing above.

Phase I would include 51,670 square feet gross for retail/office on the first floor level, and 83,890 square feet gross for residential. At an average of 900± square feet gross per unit, 100± apartment units would be in the five-buildings of Phase I.

Ward's Plaza - Proposed Square Footage and Use by Building

Building 1: 15,600 SF 1 st flr: retail: 7,800 SF 2 nd Flr: office: 7,800 SF	Building 8: 21,000 SF 1 st flr: retail: 7,000 SF 2 nd flr: residential at 7 units 3 rd flr: residential at 7 units
Building 2: 60,000 SF 1 st flr: retail: 20,000 SF 2 nd flr: residential: 20,000 SF or 20 units@1,000 SF ea. 3 rd flr: residential: 20,000 SF or 20 units@1,000 SF ea.	Building 9: 31,500 SF 1 st Flr: retail: 10,500 2 nd flr: residential: 10,500 at 10 units 3 rd flr: residential: 10,500 at 10 units
Building 3: 24,000 SF 1 st flr: retail: 8,000 SF 2 nd flr: residential: 8,000 SF or 8 units 3 rd flr: residential: 8,000 SF or 8 units	Building 10: 31,500 SF 1 st Flr: retail: 10,500 2 nd flr: residential: 10,500 at 10 units 3 rd flr: residential: 10,500 at 10 units
Building 4: Pharmacy – 22,000 SF (1 story)	Building 11: 26,100 SF 1 st flr: retail: 8,700 SF 2 nd flr: residential: 8,700 SF or 8 units 3 rd flr: residential: 8,700 SF or 9 units
Building 5: 108,000 SF 1 st flr: retail: 36,000 SF 2 nd flr: residential: 36,000 SF or 36 units 3 rd flr: residential: 36,000 SF or 36 units	Building 12: 9,105 SF 1 st flr: office 3,035 SF 2 nd flr: residential 3,035 or 3 units 3 rd Flr: residential: 3,035 SF or 4 units
Building 6: 23,300 SF 1 st flr: retail: 11,650 SF 2 nd flr: office: 11,650 SF	Building 13: 47,400 SF 1 st flr: 15,800 SF retail 2 nd flr: residential: 15,800 SF or 15-16 units 3 rd flr: residential: 15,800 SF or 15-16 units
Building 7: 15,660 SF 1 st Flr: retail: 5,220 SF 2 nd flr: residential: 5,220 SF or 5 units 3 rd flr: residential: 5,220 SF or 5 units	Building 14: 9,464 SF 1 st flr: retail: 4,732 SF 2 nd flr: office: 4,732 SF

Ward's Plaza - Development Program

Land Use	Quantity		Parking
Pharmacy ¹	22,000	SF	47
Mixed Use Buildings	409,120	SF	853
General Retail ²	147,152	SF	491*
General Office ²	25,968	SF	87*
Apartments (each 1000 sf) ³	236	DU	236*

¹City of Winchester zoning requires 1 space per 250 square feet (88 spaces). Additional 56 shared spaces available, counted as Mixed Use parking.

²City of Winchester zoning requires 1 space per 300 square feet

³City of Winchester zoning requires 1 space per dwelling unit for 1-2 bedroom multifamily dwellings

*Amount of parking required calculated from Winchester zoning regulations. Total parking for Mixed Use Buildings provided.

Ward's Plaza - Pro Forma Analysis

The team prepared a pro forma analysis for Phase I of the proposed conceptual redevelopment plan, as described above. (Note that the Pro Forma supports the concept development plan as shown above, but with phasing. It is likely that Building 3, with 24,000 square feet, could be included in the Phase I redevelopment, which would add 25 to 30 apartment units to the total redevelopment plan, although building 3 is not now part of the pro forma).

A 15,000 square foot free-standing pharmacy located on an out parcel of approximately 1.5 acres could be a land lease or sale. This is also not included in the pro forma calculations.

For the development shown on the conceptual site plan, the following development costs are estimated:

- \$700,000 for demolition of the existing 175,000± square foot shopping center, including “dump fees”. This is at a rate of \$4.00 per square foot.
- \$500,000 for contingency costs.
- At \$6,000+ cost per space for parking and roadway work and 300 parking spaces, for a total cost of \$1.8 million for site preparation, including the cost for roads and parking. Roads would include the new road that serves the five buildings, the road north to Weems Lane, and a “stub” road to the parking lot behind buildings 6, 7, and 8.
- \$250,000± for engineering costs.
- \$11.0 million of the development of the 136,000 square foot mixed-use building at a cost of \$80 per square foot. This assumes no elevator in the building.
- There are two options for the proposed 15,000 square foot pharmacy. The site size needs to be 1.5 acres. The user could lease the site at \$150,000 per year or purchase the site at \$1.5± million. Both are considered at market prices.
- Net rental rates (excludes all utilities) for the apartment units, in 2010 constant dollars, should be:
 - One-bedroom - \$900 (50% of units)
 - Two-bedroom - \$1,020 (50% of units)
- The net rents for the retail and office space are estimated at \$20 per square foot triple net.
- The assessed value of the entire property is \$10.43 million, which includes land values and building values for the Montgomery Ward building, small space

172-01-B-17
FIRST BAPTIST CHURCH TRS
141 N WASHINGTON ST

172-01-B-15
APTIST CHURCH TRS
WASHINGTON ST

172-01-B-16
FIRST BAPTIST CHURCH TRS
133 N WASHINGTON ST

172-01-B-14
WILT MICHAEL L
121-N WASHINGTON ST

172-01-B-13
ROSS JAMES M
115 N WASHINGTON ST

172-01-B-12
BAYLISS R WILLIAM III
111 N WASHINGTON ST

RTS

72-01-B-9
N ALLEN BRUCE
NAD 6001 601

173-01-C-4
173-01-C-5
MAYFIELD SHELBY G TR FOX JODY A
134 W PICCADILLY ST W PICCADILLY ST

173-01-C-3 173-01-C-1
TWIN APPLE PROPERTIES SANDLEY BOARD OF TRUSTEES
124 W PICCADILLY Spn-C-2 100 W PICCADILLY ST
BERMONT OF COMPANY

BERMONT OIL COMPANY
116 W PICCADILLY ST

CITY OF WASHINGTON
229 N BRADDOCK ST
APLE PIE RIDGE RENTALS LLC
218 N BRADDOCK ST
173-01-G-2
SAUL CHARLES EVERETT

173-01-G-1
OLD POST OFFICE LLC
40 W PICCADILLY ST

173-01-G-9
BBJ KANSAS LLC
26 W PICCADILLY ST

PICCADIL¹
24W/F

173-01-D-9
HABLE THEATRES INC.
142 N WASHINGTONS

173-01-D-10
HABLE THEATRES INC
138 N WASHINGTON ST

173-01-D-6
YNCH MARK P
W PICCADILLY ST

173-01-D-11
STEWART VANMETER HACK
136 N WASHINGTON ST

173-01-D-12
SHULTZ BRADLEY M
132 N WASHINGTON ST

173-01-D-13
FIRST BANK TSTEE
128 N WASHINGTON ST

173-01-D-14
DELAUTER ROGER U JR
126 N WASHINGTON ST

122 N WASHINGTON ST

173-01-D-16
JILL LONG GAIL LIFE ESTATE
WASHINGTON ST

173-01-D-3
JACKIES FOLLY LLC
123 N BRADDOCK ST

173-01-D-7
KYNCH MARK P
W PICCADILLY ST
JACKIES
11 W PIC

173-01-D-6
JACKIES FOLLY LLC
111 W PICCADILLYS

173-01-D-5
JACKIES FOLLY LLC
135 N BRADDOCK ST

173-01-D-4
JACKIES FOLLY LLC
127 N BRADDOCK ST

173-01-F-8
MCCOIG DAN M JR
33 W PICCADILLY ST

173-01-F-9
PICCADILLY MANSION LLC
25 W PICCADILLY ST

173-01-F-5
EFD INVESTMENTS LLC
126 N BRADDOCK ST

N Braddock St

173-01-D⁹
HARLETHEMPRES INC
142 N WASHINGTON ST

Washington

173-01-D-17
GEORGE G SNARR & SONS LLO