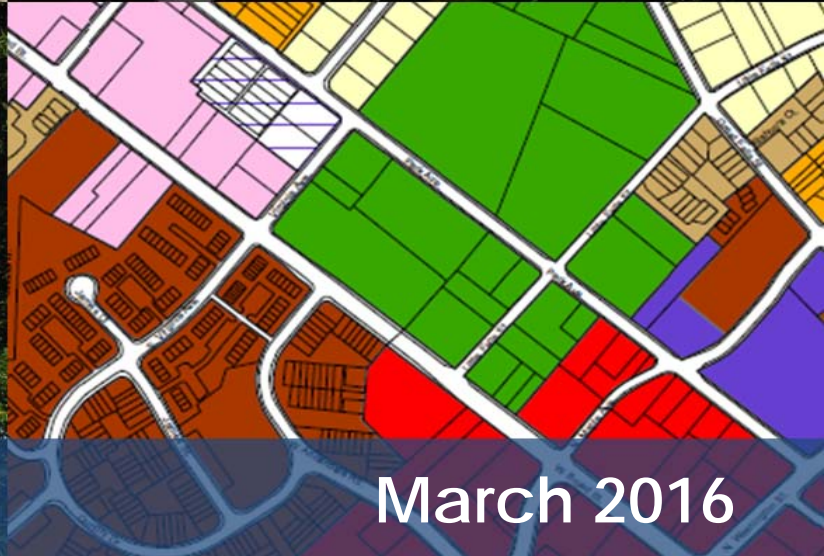




*Better Business For A Better Falls Church*

## RESOURCE GUIDE FOR DISPLACED BUSINESSES



March 2016

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[www.fallschurchchamber.org](http://www.fallschurchchamber.org)

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RESOURCE GUIDE FOR DISPLACED BUSINESSES  
MARCH 2016

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**DISCLAIMER:** Nothing contained within this document is intended to constitute legal advice and is provided for informational purposes only. Readers should not act upon this information without seeking professional counsel.

# Introduction

SMALL AND LOCAL BUSINESSES are an essential component of Falls Church's local economy and the Falls Church Chamber of Commerce's membership. They not only create well-paying jobs, but deliver vital services, generate sales tax revenue, and contribute to the unique character and livability of the City's neighborhoods.

Small and local businesses are also particularly active in community service and volunteerism, and provide goods that are not generally available from larger competitors. For these reasons and more, preservation of the City's unique local businesses is a Chamber priority.

In recent years, Falls Church has experienced increased development activity that has changed the character of the City's business landscape. By and large, the Chamber believes that new development presents Falls Church with a vibrant urban experience, and delivers new offices, retail, entertainment venues, customers and clients, and highly-demanded housing. The City is poised to witness additional development in the future, and it is anticipated that such redevelopment will be the primary source of new Class A retail and office space in the City.

While the Chamber welcomes investment and new development, it acknowledges the potential for business displacement. Individual businesses can find themselves overwhelmed, and can sometimes struggle to adjust to the new environment. Too often, local businesses may not know how to navigate local offices and agencies, understand the resources available to them, or have a flexible strategic business plan that can accommodate redevelopment.

The Chamber believes it can play an affirmative role in assisting its members with this process. It has prepared this document to set forth policies, identify best practices, and provide information on tools that will help them find ways to maintain their presence in the City and address challenges presented by new development. To be clear, the Chamber will not interpose its judgment or in any way seek to interfere with private leasehold agreements between tenants and property owners. The City's retail and office market is changing, and existing businesses must change with it. Each business must take responsibility for planning for its future, securing adequate space in which to operate, and understand the potential for, and consequences associated with, redevelopment.

At the same time, the Chamber anticipates that market-attentive, adaptable, high-performing businesses can compete with newcomers to the Falls Church market, and can be successful in



*While the City of Falls Church can create local business programs and improve City processes, local businesses often need additional, on-the-ground support to meet their potential. The Falls Church Chamber is an excellent resource that can support the Little City's local business ecosystem.*

finding premium space in both new and older buildings. Accordingly, this document is offered as a way to encourage local businesses to be aware of the development process and be able to access the resources necessary to withstand the potential for displacement.

This document is primarily focused on assisting tenants and owners located within the City of Falls Church. However, the Chamber's membership stretches beyond the City's corporate limits, and every effort has been made to provide information that is universally applicable across jurisdictional boundaries. To that end, the Chamber is available to assist tenants and owners navigate the business relocation and development approval process in Fairfax County, Arlington County, and beyond.

### **Potential Causes of Business Displacement**

Understanding the causes of business displacement is vital for business planning. Local businesses can find themselves in need of new space for a variety of reasons including, but not limited to, eminent domain for public projects (e.g., roads, public facilities, etc.), lease expirations, eviction due to lease termination or breach of contract (e.g., tenant has not made timely lease payments), rent increases contemplated by the contract or as part of a lease renewal, and redevelopment by the owner.

### **Get To Know: The Falls Church Chamber of Commerce**

The Falls Church Chamber of Commerce is an independent, non-profit membership organization founded in 1947. The Chamber is governed by a Board of Directors pursuant to the Chamber's Bylaws. The Board meets the second Tuesday of each month.

The Chamber's mission is to promote local business interests in order to foster economic prosperity and civic well-being in the greater Falls Church community. It advances its mission by supporting business and community growth and development, providing members with educational, marketing, and networking opportunities, advocating Chamber positions on critical business issues, and encouraging quality business ethics and community respect.

Local businesses are a vital asset to the City, and the Chamber supports their long-term success. Whether by engaging with the local business community, providing better customer service at City Hall, or connecting business owners to capital, the Chamber helps provide a foundation for a stronger local economy.

As part of its advocacy on behalf of local businesses, the Chamber's Legislative Committee monitors and advises the Chamber on legislative and regulatory issues on the local, state, and federal levels, and promotes the interests of our membership.

To assist with the retention and expansion of existing local businesses, and to ensure a strong membership base, the Chamber has crafted a series of strategic initiatives, included as Appendix B to this resource guide, and updated on the Chamber's website, located at [www.fallschurchchamber.org](http://www.fallschurchchamber.org). The Chamber may also be contacted at (703) 532-1050.

# Leasing Tips & Negotiations

Careful planning, starting with careful drafting of the relevant provisions of a lease, is critical for a local business to anticipate and successfully respond to redevelopment challenges. Commercial leases are complicated and are very different from residential leases. Before signing any commercial lease, a business needs to know what questions to ask, and how rent, load fees, and other added fees are calculated.

Owners and tenants should have the foresight to include well-drafted lease provisions and carefully negotiated redevelopment clauses in leases that help preserve both owner and tenant rights. Additionally, leases should anticipate the challenges that come with partial redevelopment projects which may be accomplished in phases or located on underutilized portions of a property. The Chamber recommends consideration of the following points by both tenants and owners, but advises readers to not act upon this information without seeking professional counsel.

- **Lease Type:** The owner and tenant should clarify the type of lease (e.g., single-, double-, triple-net, bondable, ground, etc.) concerning property expenses including real estate taxes, insurance, maintenance, repairs, utilities, and more.
- **Expectations:** The owner and tenant should be very clear about expectations, particularly with regards to delivery and condition of the space, common area maintenance and protocol with respect to redevelopment, construction materials, access impediments, etc. (e.g., building items or locating construction materials in certain areas or altering portions of the common areas).
- **Termination Provision:** The owner and tenant should clarify how and when a right to terminate the lease can be exercised.
- **Redevelopment Clause:** The owner and tenant may wish to include a redevelopment clause, addressing issues such as the right to terminate a lease before the end of the lease period and any associated compensation.
- **Adequate Notice Provisions:** The owner and tenant may wish to clarify the type of notice that an owner must provide the tenant of any development or redevelopment plans. The parameters and timing of such notice are negotiable, but could include things such as timing, providing professionally-prepared plans, a copy of the land development application, etc.
- **Rent & Rent Abatement:** It is important to discuss when rent commences, timely payment of the rent, the base rent, and any percentage increases. The owner and tenant may also wish to specify rights in the event of contract default due to redevelopment activities, such as lease termination, rent abatement, etc.

## Commercial Lease Terms To Know

The Chamber believes that local businesses looking to rent or buy space should familiarize themselves with some of the common lease terms. Here are a few of the most common:

- **Common Area Maintenance (CAM):** This is the amount of additional rent charged to the tenant to maintain the common areas of the property shared by tenants. Typical examples include such work as landscaping, snow removal, exterior lighting, as well as insurance and property tax.
- **Escalation Clause:** A clause in a lease which allows the owner to increase the rent in the future to reflect changes in expenses paid by the owner, such as real estate taxes, operating costs, etc. This can take three forms: 1) fixed periodic increases; 2) adjustments based on the Consumer Price Index (cost-of-living increases); and/or 3) an increase tied to the increased costs of operating the property.
- **Full Service Rent:** This refers to an “all-inclusive” rent that includes operating expenses and real estate taxes for the first year. The tenant is generally still responsible for any increase in operating expenses over the base year amount.
- **Gross Lease:** A type of lease in which the tenant pays a flat sum for rent, covering all owner-paid expenses, including taxes, insurance, maintenance, utilities, etc. By having all these costs thrown in, you can better forecast your monthly expenses and also avoid potentially high bills associated with these operating costs.
- **Letter Of Intent:** This is an informal and preliminary agreement between the tenant and the owner indicating intent to move forward with negotiations. Always consult your legal counsel before signing any Letter of Intent.
- **Net Lease:** With a net lease, you will pay for other building operating costs such as property taxes, insurance, repairs, utilities, etc. in addition to your rent. For a local business owner this can potentially be a large sum.
- **Non-Compete Clause:** This clause prevents the owner from leasing any other premises on the development to a direct competitor of yours or another tenant operating the same type of business. It might be worth considering such a clause to protect your investment for the long term – especially if you are in the service industry and expect a lot of walk-in traffic.
- **Tenant Improvements:** Defines any improvements to the leased space either by, or for, a tenant. If you expect to make lots of improvements to the space, it’s worth negotiating these with your owner and trying to get as much of these costs covered as you can. The Tenant Improvement (TI) Allowance or Work Letter defines the fixed amount that the owner will contribute towards these improvements, and costs over this amount are then covered by the tenant (also known as the Tenant Finish Allowance).
- **Triple Net Lease (NNN):** A lease agreement on a property where the tenant or lessee agrees to pay all real estate taxes, building insurance, and maintenance (the three "Nets") on the property in addition to any normal fees that are expected under the agreement (rent, utilities, etc.).
- **Usable Square Footage:** This is the square footage rented and used exclusively by the tenant. It includes footage for private rest rooms, storage, and any other areas used only by the tenant. In contrast, Rentable Square Footage combines usable square feet, plus a portion of the common area and typically encompasses 10-15 percent more space.

## Tenant Improvements: Negotiation and Permits

When considering relocation space, tenant improvements can include things like interior design, raised floors or suspended ceilings, heating, ventilation, air conditioning, building controls, fire systems, and more. Owners and tenants typically negotiate for the cost of all or a portion of the tenant's improvements in the lease. The amount of the so-called "Tenant Improvement Allowance," as well as the length of the lease term has a significant impact on the negotiated rental rate.

Some tenants may desire a "turn-key" buildout, in which the owner covers the costs of the build-out based upon a rent rate and space plan. Others may desire a certain dollar amount for the tenant to complete the improvements. Selecting which approach is best requires careful consideration to realize potential cost savings and maximize the value of any improvement allowance.

For tenants responsible for improvements, they should decide whether they want to enter into one contract with a firm that will design and construct the fit out, or whether they wish to enter into multiple contracts with multiple contractors. Additionally, permits are required for certain interior and exterior improvements from the Falls Church Department of Development Services, located in City Hall. The types of permits and permit fees vary depending on the scope of the project, but generally include the following:

- **Building Permit**: For all building work, demolition, retail shelving, systems furniture, door locks, and more.
- **Electrical Permit**: For all work related to circuits, fixtures, receptacles, outdoor signs, transformers, fixed appliances, heaters, motors, and generators.
- **Fire System Permit**: For all fire alarm panels, and devices, stand pipes, and sprinkler systems
- **Fuel-Gas Permit**: For all boilers, gas appliances, gas valves, gas piping, and oil tanks.
- **Mechanical Permit**: For all air conditioners, air handlers, cooling systems, hoods, exhaust systems, ventilation systems, and fan coils.
- **Plumbing Permit**: For all fixtures and drains, sewer installation, sewer caps, water service, building drains, water pipe work, and sewage ejectors.
- **Health Department Permit**: Restaurants will require a permit to operate a food service establishment from the Fairfax County Health Department.

Plan review time is typically six weeks for small commercial jobs and four to six weeks for larger commercial jobs. The more professionally-prepared the plans, the faster a permit can be issued. For this reason, the Chamber encourages local businesses seeking relocation space to engage registered architects, interior designers, and professional engineers familiar with Falls Church's design requirements and permitting and inspection processes.

The Department of Development Services is located in City Hall, and may be reached at (703) 248-5080. Information on specific permits may be found online at: [www.fallschurchva.gov/370/Licenses-Permits](http://www.fallschurchva.gov/370/Licenses-Permits). Improvements also require inspections once the work is completed (and, sometimes, during construction). Inspections may be scheduled online at [www.fallschurchva.gov/Building](http://www.fallschurchva.gov/Building). Finally, a business must apply for a Certificate of Occupancy to confirm that the tenant's use and parking is in conformance with the Zoning Ordinance.

- **Rent Payment & Deposit Refund:** The owner and tenant may wish to include a provision regarding the timely refund of any deposit.
- **Rent Term:** The lease should identify when the lease commences (e.g., when the lease is signed, when the keys are turned over to the tenant, when the tenant opens the business, etc.).
- **Use:** The owner and tenant may wish to include a clause concerning the tenant's use of the property. Such a clause should be broad enough to cover (a) everything that a tenant intends to do at the premises both currently and in the future; (b) whether the use conflicts with any other tenant's exclusive use rights; and (c) whether the tenant obtain an exclusive right to its use.
- **Permits:** The owner and tenant may wish to include a provision regarding both parties options if the tenant is unable to obtain the necessary governmental permits in a certain reasonable period of time.
- **Retention Provision:** The parties may agree to provide the tenant designate certain areas in the redeveloped space for leasing to the tenant under certain situations.
- **Protected Area:** In the case of partial or phased redevelopment, the owner and tenant may wish to include a provision regarding limitations on redevelopment construction in the vicinity of the leasehold premises, such as establishing a "protected area" in which redevelopment activities should not occur, guaranteeing of access to the protected area, etc.
- **Non-Interference:** In the case of partial or phased redevelopment, the owner and tenant may wish to include a provision regarding the obligation of both parties to not materially interfere with the tenant's operation, the planned redevelopment, or the operation of the shopping center.
- **No Additional Costs:** In the case of partial or phased redevelopment, the owner and tenant may wish to include a provision specifying what responsibilities each party has to incur costs as a result of new construction/facility improvements.
- **Utilities:** In the case of partial or phased redevelopment, the owner and tenant may wish to include a provision regarding heating, air conditioning, and ventilation during operating hours while redevelopment work is being performed.
- **Visibility and Signage:** In the case of partial or phased redevelopment, the owner and tenant may want to discuss issues of visibility, signage, and replacement in the event signage must be removed during construction.
- **Parking and Access:** In the case of partial or phased redevelopment, the owner and tenant may wish to clarify issues of access, number of spaces, or maintenance of a parking ratio.



- **Holiday Season:** Because certain times of the year are especially important when it comes to operating hours, as well as parking availability, the owner and tenant may wish to include a provision regarding construction during certain seasonal sales periods in the case of partial or phased redevelopment.
- **Safety and Security:** Because partial or phased redevelopment can sometimes result in removal of lighting fixtures the owner and tenant may wish to address the issue of lighting and adequate security measures during redevelopment and construction.

### Relocation Notification

If a business is moving within the City of Falls Church, it will need to complete a business closure or moving letter which can be found online at: [www.fallschurchva.gov/DocumentCenter/View/751](http://www.fallschurchva.gov/DocumentCenter/View/751). The form will assist the City update the business' records, and should be completed and returned to the Office of the Commissioner of Revenue located in City Hall. For businesses relocating outside of the City, the business should send a copy of the new business license from the new jurisdiction.

### Get To Know: The Falls Church Economic Development Office

The Falls Church Economic Development Office (EDO) is committed to making local businesses thrive, and it serves as the catalyst for public and private initiatives to create, diversify, and enhance job growth and provide a vibrant and sustainable economy. The City offers a broad range of business incentives to encourage relocation of new businesses and expansion of existing businesses. The EDO is charged with many tasks, and reports to the City Manager. EDO staff bring years of hands-on development experience to identify solutions to business expansion and relocation needs. Specific initiatives include:

- **Local business Assistance:** EDO has compiled a list of helpful links for local businesses, which may be accessed at [www.choosefallschurch.org/DocumentCenter/View/79](http://www.choosefallschurch.org/DocumentCenter/View/79).
- **Business Information:** EDO staff can provide the economic, demographic and market information businesses need to thrive, including identifying potential buildings, market research, and providing information on tax and incentive programs.
- **Business Site or Building Location Assistance:** EDO staff provides a list of available commercial space and can run a free customized Co-Star real estate database search for businesses. The commercial space list may be found at [www.choosefallschurch.org/DocumentCenter/View/78](http://www.choosefallschurch.org/DocumentCenter/View/78).
- **Project Development:** EDO staff can provide information on tenant recruitment, bond financing, and public initiatives.
- **Assistance With Economic Development Authority (EDA):** EDO staff is responsible for preparing the Economic Development Authority's agendas and follows up with EDA initiatives.

The EDO is open from 8:00 a.m. to 5:00 p.m. Monday through Friday, and can be reached at (703) 248-5491, or online at [www.choosefallschurch.org](http://www.choosefallschurch.org).

### Get To Know: The Falls Church Economic Development Authority

The EDA advises City Council on economic development issues and proposals, and performs a wide range of functions authorized by Virginia statute. The EDA provides community education programs, conducts research, purchases, leases and sells property, provides tax exempt financing, and supports projects and programs that promote business and investment in the city.

The EDA has provided City Council with recommendations on each major new development proposal in Falls Church with a special focus on fiscal impact. One recent goal of the Economic Development Authority was to develop a "brand" for the City of Falls Church to make it easier for people and businesses who want the Falls Church community-based lifestyle to find it. "The Little City" branding project was presented in early December 2009.

Meetings of the EDA are held on the first Tuesday of each month at 7:00 p.m. at City Hall. More information can be found on the EDA's website, located at [www.fallschurchva.gov/164/Economic-Development-Authority](http://www.fallschurchva.gov/164/Economic-Development-Authority).

## Suggested Best Practices By Owners, Tenants & Developers

Older buildings, shopping centers, and industrial sites are all potential redevelopment opportunities. What was new and exciting forty years ago is now in need of rejuvenation. Owners, of course, want to maintain consistent income from their property while at the same time having the flexibility to terminate leases and/or relocate tenants when the time is right for redevelopment. Tenants, on the other hand, want to be dealt with fairly by an owner that is contemplating redevelopment. Sometimes arriving at a suitable middle ground can be difficult.

The Chamber generally welcomes new development, and recommends that the following suggested "best practices" be reviewed and considered by both owners and tenants during the redevelopment process. They are offered without emphasis on prioritization of any specific and, of course, are aspirational. At the same time, where successfully implemented, the Chamber believes they may help avoid negative impacts, facilitate better decision-making by both parties, and assist tenants with anticipating changes and easing their transition to a new property.

- **Tenant-Owner Communication:** Because it is critical that local businesses have sufficient time to understand an owner's redevelopment plans, inform customers/clients, and contemplate relocation, the Chamber encourages owners to take steps to improve their communication with local business tenants. Communication systems should be frequent, effective, transparent, and comprehensive to meet the needs of various businesses. Owners should appoint a single point of contact to answer non-proprietary questions about the owner's redevelopment plans. Owners should endeavor to provide adequate notice to tenants of any redevelopment expectations, offer written summaries of proposed plans to tenants, provide adequate notice of opportunities for public input for proposed projects, and

offer information regarding anticipated timeframes for lease termination and dates for demolition and construction. Concurrently, tenants should ensure that they maintain regular contact with their respective owner.

- **Coordinated Construction Schedule Planning:** To increase an owner's understanding of tenant issues, the Chamber encourages owners to keep existing businesses informed during the legislative approval and construction phase of each project. This may include providing periodic updates with regard to material changes in the development program for the site, including the phasing of the project, anticipated schedules for eviction, construction and occupancy, and any anticipated material impacts on the tenants while they remain on the site, such as test borings, construction signs and fencing, asbestos removal, disruptions to customer parking and pedestrian paths, disruption of utilities, and more.
- **Information On Potential Relocation Spaces:** The Chamber encourages owners to make available to all tenants, either directly or through the developer, information on available commercial spaces in the City and surrounding jurisdictions, business counseling services, and appropriate business courses. The City of Falls Church Economic Development Office maintains an updated database of available commercial space within the City, which can be provided to tenants.
- **Referrals For Assistance:** The Chamber encourages owners to refer any tenants who request assistance to professional consultants who specialize in displacement-related fields such as the land use process, lease negotiation (i.e., understanding lease terms, trends and negotiation strategy), space planning, and related sources of help. The Chamber maintains an updated list of participating professional consultants located online at [www.fallschurchchamber.chambermaster.com/list](http://www.fallschurchchamber.chambermaster.com/list).
- **Phased Development:** Most redevelopment projects in Falls Church are constructed in a single phase. However, where a project is proposed in phases, the Chamber encourages owners or developers to consider the needs of tenants in crafting development phasing plans. The Chamber encourages owners to maintain their site, structures, and systems in good repair and in a businesslike appearance until the last retail tenant vacates or until the notice to vacate expires.
- **Equivalent Retail Space:** Because of its strong market potential and to advance the goals of developing a unique and diverse retail base that reflects Falls Church, and to reintegrate existing businesses into new development, the Chamber supports development proposals which replace or increase the amount of retail and office space generated by new development. The Chamber supports projects that provide a retail environment which serves and enhances the surrounding neighborhood and focusses on the local trade area.
- **Tenant Retention Program:** The Chamber supports redevelopment projects that include strategies to retain and incorporate existing local businesses alongside destination and national businesses. Retention efforts may include, but not be limited to, the phasing of higher rents, utility charges, parking fees, and other fees for local businesses, as well as offering long-term leases at affordable rents, as supported by City of Falls Church

incentives. Owners are encouraged to coordinate with brokerage consultants and the Falls Church Economic Development Office to implement a retail tenant retention program.

- **Sensitive Construction:** While most construction disruptions associated with redevelopment are temporary, some construction projects last several years. Construction can, at times, threaten the viability of local businesses. This is particularly true with regards to street closures, inadequate parking, noise, construction barriers on pedestrian routes. Accordingly, the Chamber supports redevelopment proposals that mitigate the obstruction impact of major construction projects on businesses during construction. This may include tailoring a construction schedule to meet the requirements of existing businesses, including scheduling more disruptive work during evening hours, ensuring adequate parking for tenants during construction, arranging for construction parking, and establishing procedures for dealing with grievances from tenants.
- **Business Contingency Planning:** The Chamber recommends local businesses engage in contingency planning, and maintain an unrestricted fund balance to stabilize the business' finances in the event of unexpected lease termination, relocation announcements, tenancy repairs, unexpected cash flow shortages, or economic conditions. Each business should set its own reserves based on its cash flow and expenses.

### Who Am I Dealing With?

In the redevelopment process, the owner is often not the developer. Sometimes, it can be confusing for a local business tenant trying to figure out who to contact when there are issues regarding a redevelopment proposal or how it will affect the tenancy. Property ownership often changes during redevelopment transactions, and it is important for tenants to understand who their respective owner is at all times. Accordingly, the Chamber suggests that there be a clear line of communication between the tenant and owner as the redevelopment process unfolds.

## Understanding the Redevelopment Approval Process

Before redevelopment can occur on a property, an owner must typically obtain permission from the City in one form or another. Sometimes, an owner must seek approval from the City Council, Planning Commission, or Board of Zoning Appeals; other times, an owner merely needs to receive approval from one or more of the City's administrative agencies, such as the Department of Development Services.

Depending on the complexity of the owner's proposal, this process can be simple or extensive. The process can last weeks to a year or longer. The approval process with large redevelopment is frequently a political one as well, which involves uncertainty and often extensive negotiation and concessions in order to secure the necessary approvals and permits.

Some redevelopment is “by-right,” which means they are permitted under their current zoning rules, approved administratively, and do not require any legislative action or public hearings by the City Council, Planning Commission, or Board of Zoning Appeals.

Most redevelopment proposals, even by-right proposals, will require a site plan, which is a schematic representation of the development proposal. The site plan review process requires Planning Commission approval, which typically occurs within 60 days from the date of submission. A Planning Commission public hearing will be held on the site plan, and minor changes may be made before the Planning Commission takes action. Depending on the request, the public hearing is often advertised in the newspaper as well as with placards posted on the property. The public hearing occurs in the City Council Chambers at City Hall, and its purpose is to obtain public input on the request.

### **Get To Know: The Planning Department**

The Planning Division provides development review for site plans of commercial, townhouse, and multi-family projects, special exceptions, subdivisions, and rezonings. This includes many redevelopment proposals. The Department also develops and implements long-range planning efforts, including the Comprehensive Plan, the Zoning Ordinance, fiscal impact modeling, and traffic calming policies.

If you are seeking information on a particular development proposal or application, take a look at the current development projects link on the Planning Department’s website ([www.fallschurchva.gov/404/Planning](http://www.fallschurchva.gov/404/Planning)). If the development proposal or application is or has been scheduled for review by the Planning Commission, then there may be information available in an agenda. If you are unable to find the information desired, please contact the Planning Division at (703) 248-5040.

More common in redevelopment proposals is the rezoning or special exception, both of which are discretionary approvals by the City Council. In this context, the entire process from the acceptance of the applications to the City Council vote, takes approximately one year to fifteen months (or longer). The application will undergo extensive staff review prior to being scheduled for a public hearing before the Planning Commission and may be permitted by the City Council after assessing the specifics of the proposed use and determining whether there would be any impacts created by the use requiring mitigation.

The City Council exercises discretion when approving or denying applications and evaluates rezoning and special exception applications using specific enumerated criteria in the City Code. These criteria include, but are not limited to, conformity with the adopted Plan recommendations, whether the proposed development adds significant commercial square footage and allows for a mix of uses, whether the proposed use provides substantial positive revenue to the City, and whether the proposal will promote the health, safety, and welfare of City residents.

Before submitting an application, an applicant often meets with City staff to introduce the project, makes one or more presentations to the City’s Economic Development Committee (“EDC”), which is a small committee comprised of a subset of City Council members, the chairs

of the City's Economic Development Authority, and the Planning Commission. Both the staff and the EDC meetings will serve as an informal way to gauge initial thoughts on the proposal.

Following these initial meetings, the formal application is prepared and submitted to the Department of Planning in accordance with specific submission requirements set forth in the Zoning Ordinance. When the completed applications are accepted for processing, the applications will be assigned to a staff coordinator who will review and evaluate the submission.

The applications will also be distributed to, and evaluated by, various City agencies, and may be referred by the Council to City boards and commissions, including the Architectural Advisory Board, the Historical Commission, the Economic Development Authority, the Housing Commission, the Environmental Services Council, the Citizens Advisory Committee on Transportation, and the Recreation and Parks Advisory Board. During this process, the applicant will be asked to respond to staff, agency, or community comments and refine its development concept. Following staff review, the staff coordinator will consolidate comments from these agencies into a staff report and may suggest modifications to the submission.

### **What's Coming Down The Pike? Look To Planning Documents**

When anticipating redevelopment or looking for relocation space, it may be good to consult the City's Comprehensive Plan. It is a policy document which is used to guide growth over a 20-year period. Topics include land use, economic development, community character, natural resources, parks and recreation, transportation, and housing.

Understanding both documents can be a good predictor of the potential for redevelopment. Additionally, one should consult the City's various "Small Area Plans," which define visions for redevelopment in certain small areas of the City.

Under Virginia law, the Comprehensive Plan serves as an important guide to development decisions. The Comprehensive Plan may be accessed online at [www.fallschurchva.gov/412/Comprehensive-Plan](http://www.fallschurchva.gov/412/Comprehensive-Plan), and Small Area Plans may be found at [www.fallschurchva.gov/1557/Small-Area-Plans](http://www.fallschurchva.gov/1557/Small-Area-Plans). Whether a particular application is in conformance with the Comprehensive Plan is often a major criterion in determining whether or not to approve a legislative application.

### **Get To Know: The Planning Commission**

The Planning Commission studies and recommends changes to the city's Comprehensive Plan and reviews all site plans to ensure consistency with the Plan. Annually, the Commission prepares and revises a five-year capital improvements program, including capital budget recommendations. It also makes recommendations on the preservation of historical landmarks, and design of public bridges, street fixtures, and other public structures and appurtenances. Additionally, the Commission makes recommendations to the City Council regarding rezonings and special exceptions.

Planning Commission meetings occur on the first and third Monday of each month at 7:45 p.m. at City Hall. More information can be found online at [www.fallschurchva.gov/PlanningCommission](http://www.fallschurchva.gov/PlanningCommission).

## Get To Know: The City Council & Government

Falls Church operates under the “Council-Manager” form of government in which the City Council has control over certain laws, and appoints a City Manager to run the city's day-to-day activities and preparing the City's budget.

The City Council is comprised of seven at-large members. The Council enacts ordinances and resolutions, approves City budgets, sets tax rates, and establishes policy. The Council also reviews all legislative approvals for redevelopment, including rezonings and special exceptions.

City Council meetings occur on the second and fourth Monday of each month at 7:30 p.m. at City Hall. City Council work sessions occur on the first and third Monday of each month at 7:30 p.m. at City Hall. More information can be found on the Council's website, located at [www.fallschurchva.gov/1404/About-City-Council-Meetings](http://www.fallschurchva.gov/1404/About-City-Council-Meetings). The City Manager's office may be contacted at (703) 248-5004 and online at [www.fallschurchva.gov/246/City-Manager](http://www.fallschurchva.gov/246/City-Manager).

The staff coordinator will also request that the applicant submit a list of proffers or “Voluntary Concessions and Community Benefits,” both of which are intended to mitigate any impacts associated with the proposal. These commitments may include things like affordable dwelling units, design, undergrounding utilities and streetscape improvements, bus stop shelters, transportation upgrades, electric vehicle charging stations, bicycle parking and storage, public art, emergency power system, as well as school, library, and recreation capital contributions/improvements.

A staff report summarizing the application will be made public approximately two weeks before the Planning Commission public hearing and will recommend either approval of the application with proffers, conditions and/or voluntary concessions (depending on the nature of the request), or denial. Following publication of the staff report, the Planning Commission will hold a public hearing on the application.

The Planning Commission will make a recommendation to the City Council, which will both introduce the proposed ordinance to approve the application and hold a second and final public hearing on the application. The Planning Commission and City Council may hold a joint public hearing after public notice. After the conclusion of the City Council public hearing, the proposed ordinance is then read a second time and the City Council will act on the proposal. Following approval of the rezoning and/or special exception, the applicant would then file a site plan, which would be reviewed before the Planning Commission (as noted above).

## Redevelopment Approvals May Not Mean Construction

Oftentimes in redevelopment projects, a developer will enter into a contract with an owner to purchase the property only after the receipt of any necessary approvals needed to fulfill the developer's intended uses (e.g., new apartments, new stores, etc.). Even where zoning approvals are received, however, an approved project may never come to fruition. Issues such as a lack of financing, unfavorable market conditions, difficulties with post-zoning engineering, financially infeasible development commitments, and developer financial challenges, among others, may result in delays or the cancellation of a project, or the developer never purchasing the property.

# Finding Relocation Space

One of the most difficult times in the life of a local business is the period of relocation. Too often, business owners make assumptions about the new location without taking time to do the necessary research to evaluate their decision.

There are many important issues that a local business may wish to consider when selecting a new location. Issues such as realistic lease rates, the potential for cost increases related to maintenance, utilities, insurance, and property taxes should be considered. The following are a few of the important issues the Chamber encourages local businesses to consider when selecting a new location:

- **Age Of Building:** Businesses should be mindful of the age of the relocation space and the potential for redevelopment.
- **Financial Feasibility:** The Chamber advises businesses to develop cash flow projections for relocation space, understand expectations under the lease and rents, and review whether the business can be financially feasible in the new location.
- **Understanding Zoning:** A business should acclimate itself to the zoning regulations affecting the planned relocation space. There may, for example, be restrictions concerning the size and type of signage and, depending on the type of business, the space may have to be inspected and approved by one or more government organizations prior to opening.
- **Understanding Demographics:** Businesses searching for relocation space should fully evaluate the demographics, market threshold, and number of potential customers in the vicinity of the relocation space. Businesses should take time to research the area to find out the actual population and the make-up of the population so you can evaluate the location's potential.
- **Assessing The Potential For New Growth:** Local businesses should research growth trends within the vicinity of the contemplated relocation space, and evaluate the relocation space in terms of redevelopment potential, residential population growth, and number of business establishments. Businesses are also encouraged to inquire with owners about their respective plans for redevelopment, if any, and should obtain available statistics on growth trends for the area. Businesses are also encouraged to review and understand the City's Comprehensive Plan to ascertain public sector recommendations for redevelopment on new properties. More information regarding the Comprehensive Plan may be found on the Planning Department's website, located at [www.fallschurchva.gov/412/Comprehensive-Plan](http://www.fallschurchva.gov/412/Comprehensive-Plan).
- **Evaluate Traffic:** Local businesses should understand the amount of vehicular and pedestrian traffic around the relocation space, including the vehicular traffic count for traveling in both directions. Businesses should, for example, determine which side of the street may be more beneficial for their type of business, and should evaluate their



customers' habits and determine whether the location should be more convenient for people traveling to work, from work, or to run errands and shop. Businesses should remember that, although traffic is desirable, traffic congestion during certain times of the day may make the planned location difficult to access. Businesses should observe the vehicle activity in the area to look for potential problems caused by congestion, one-way streets, dead-end streets, and traffic lights.

- **Right Building:** A business should consider whether or not the planned relocation space is really “right.” A business may, for example, have to undertake expensive renovations to make the building attractive, safe, and convenient. A business may also find that the building is situated too far away from the road (or too close), or may suffer from poor visibility due to location or seasonal foliage.
- **Ensuring Adequate Parking:** Businesses should locate to spaces which offer sufficient, safe, and convenient parking for customers. Customers may be concerned about remote and poorly lit parking areas; consequently, parking lots should be well-maintained and well-marked. Businesses should also verify whether there are any shared parking agreements with adjacent properties or tenancies.

### Need Help Looking For Relocation Space? Consider A Broker.

When a local business searches for relocation space for its business, making the right decision on which property or building to pull the trigger on is one of the most important business decisions to make. A local business may benefit from the expertise of a professional commercial real estate agent or broker. An experienced broker can identify available space and help evaluate the consequences of spatial needs, financial considerations, lease terms, and more. Some of the benefits include:

- **Local Market Expertise:** Quality commercial real estate brokers are constantly staying abreast of the local real estate market. They know the area, the trends, and the owners.
- **Time Savings:** Because of the knowledge and connections a real estate broker brings to the table, a good broker will learn about the business' individual needs and goals, and will quickly be able to present options.
- **Access to Data and Resources:** Professional commercial real estate companies invest a large amount of money and time in order to have the most up-to-date data, information, and resources at their disposal. This is a tremendously advantageous tool when looking for the best options.
- **A Network of Services:** Commercial real estate brokers are well-connected. If a particular situation calls for legal, accounting, design, architectural, or almost any other type of expertise, the broker can refer you to qualified professionals.

The Chamber suggests selecting a broker who is familiar with the properties and processes of the City of Falls Church.

# Appendix A:

## Local Business Assistance Resources

The Chamber believes it is important for entrepreneurs to have access to the tools and information needed to succeed. The following organizations may be of interest to local businesses, and are provided for informational purposes only:

- **Community Business Partnership:** Created in 1995, CBP is a non-profit organization working in collaboration with a number of local, regional and national organizations to promote local business growth in our communities. CBP provides education, technical assistance, business incubation services, access to capital and networking opportunities.

For more information: 7001 Loisdale Road, Suite C,  
Springfield, Virginia 22150  
Phone: (703) 768-1440  
Website: [www.cbponline.org](http://www.cbponline.org)

- **Greater Washington Board of Trade:** As the leading regional business organization, the Board of Trade addresses business concerns that span geographic boundaries. Pro-business and bipartisan, the Board of Trade convenes business, civic and government leaders to collaborate on important issues throughout the District of Columbia, Suburban Maryland and Northern Virginia.

For more information: 800 Connecticut Ave, NW, Suite 1001,  
Washington, D.C. 20006  
Phone: (202) 857-5900  
Website: [www.bot.org](http://www.bot.org)

- **International Council of Shopping Centers:** An organization formed to advance the shopping center industry and to promote its role in the commercial distribution of consumer goods and services.

For more information: 1221 Avenue of the Americas, 41<sup>st</sup> floor  
New York, New York 10020-1099  
Phone: (646) 728 3800, Option 1  
Website: [www.icsc.org](http://www.icsc.org)

- **International Economic Development Council:** A non-profit, non-partisan membership organization serving economic developers.

For more information: 734 15th Street NW, Suite 900  
Washington, D.C. 20005  
Phone: (202) 223-7800  
Website: [www.iedconline.org](http://www.iedconline.org)

- **Minority Business Development Agency:** An agency of the U.S. Department of Commerce that helps to create and sustain jobs by promoting the growth and global competitiveness of businesses owned and operated by minority entrepreneurs.

For more information: 1401 Constitution Avenue, N.W.  
Washington, D.C. 20230  
Phone: (202) 482-1940  
Website: [www.mbda.gov](http://www.mbda.gov)

- **National Association of Industrial and Office Properties:** Founded in 1967, the organization is one of North America's largest, most prestigious and valuable commercial real estate organizations.

For more information: 2201 Cooperative Way, Suite 300  
Herndon, Virginia 20171-3034  
Phone: (703) 904-7100  
Website: [www.naiop.org](http://www.naiop.org)

- **Northern Virginia Community College:** NOVA is the largest public educational institution in Virginia and the second-largest community college in the United States. NOVA is also one of the most internationally diverse colleges in the United States, with a student body consisting of individuals from more than 180 countries.

For more information: 8333 Little River Turnpike  
Annandale, Virginia 22003  
Phone: (703) 323-3000  
Website: [www.nvcc.edu](http://www.nvcc.edu)

- **Northern Virginia Regional Commission:** NVRC is a regional council of fourteen member governments in the Northern Virginia suburbs of Washington, DC.

For more information: 3040 Williams Drive, Suite 200  
Fairfax, Virginia 22031  
Phone: (703) 642-0700  
Website: [www.novaregion.org](http://www.novaregion.org)

- **Northern Virginia Technology Council:** NVTC is the membership and trade association for the technology community in Northern Virginia. As the largest technology council in the nation, NVTC serves about 1,000 companies and organizations.

For more information: 2214 Rock Hill Road, Suite 300  
Herndon, Virginia 20170  
Phone: (703) 904-7878  
Website: [www.nvtc.org](http://www.nvtc.org)

- **SCORE–Service Corps of Retired Executives:** With over forty members, both retired and working, this organization has significant experience in the ownership, operation, and/or management of both small and large businesses in many fields. Members offer free counseling and mentoring to those who wish to start or build existing businesses in the Washington, D.C. area.

For more information: 409 3rd Street, SW Suite 100A  
Washington, D.C. 20024  
Phone: (202) 619-1000  
Website: [www.score.org](http://www.score.org)

- **Urban Land Institute:** Provides leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. ULI is an independent global nonprofit supported by members representing the entire spectrum of real estate development and land use disciplines.

For more information: 1025 Thomas Jefferson Street, NW  
Suite 500 West  
Washington, D.C. 20007  
Phone: (202) 624-7000  
Website: [www.uli.org](http://www.uli.org)

- **U.S. Local business Administration Washington, D.C. District Office:** A federal government agency that provides support to entrepreneurs and local businesses. The mission of the Local business Administration is to maintain and strengthen the nation's economy by enabling the establishment and viability of local businesses and by assisting in the economic recovery of communities after disasters.

For more information: 409 3<sup>rd</sup> Street, SW  
Washington, D.C. 20416  
Phone: 202-205-8800  
Website: [www.sba.gov](http://www.sba.gov)

- **U.S. Local business Administration Learning Center:** A service of the Local business Administration, this site provides local business owners with fingertip access to free, helpful and reliable training opportunities. Since going live, the site has grown to feature nearly 150 self-paced online courses, videos and web chats hosted by industry and government experts. Topics include starting and managing a business, financing, marketing, taxes, government contracting and more.

For more information: <http://www.sba.gov/tools/sba-learning-center/search/training>

- **Virginia Chapter of the American Planning Association:** Offering continuing professional development and other valuable planning services, the organization is committed to raising awareness about the many benefits planning offers as a foundation for effectively addressing the physical, economic, and social changes that take place in

Virginia, and to providing effective leadership in planning advocacy reflective of a diverse geography and population.

For more information: 1030 15<sup>th</sup> Street, NW, Suite 750 West  
Washington, D.C. 20005-1503  
Phone: (202) 872-0611  
Website: [www.planning.org/chapters/virginia](http://www.planning.org/chapters/virginia)

- **Virginia Department of Business Assistance:** A state agency dedicated to enhancing the participation of small, women- and minority-owned businesses in Virginia's procurement process.

For more information: 101 N. 14th Street, 11th Floor  
Richmond, Virginia 23219  
Phone: (804) 786-6585  
Website: [www.vdba.virginia.gov](http://www.vdba.virginia.gov)

- **Virginia Department of Taxation:** A state agency which administers the tax laws of the Commonwealth of Virginia.

For more information: Virginia Department of Taxation  
Office of Customer Services  
P.O. Box 1115  
Richmond, VA 23218-1115  
Phone: (804) 367-8031  
Website: [www.tax.virginia.gov](http://www.tax.virginia.gov)

- **Virginia Economic Development Association:** Since 1982, the Virginia Economic Developers Association has been increasing the effectiveness of those who practice economic, industrial, and community development in Virginia. The Virginia Economic Developers Association is the voice in Virginia for shaping economic development public policy and a primary source of strong and effective education and networking for economic development professionals.

For more information: 1340 N. Great Neck Road  
#1272-128  
Virginia Beach, Virginia 23454  
Phone: (757) 412-2664  
Website: [www.goveda.org](http://www.goveda.org)

- **Virginia Economic Development Partnership:** A state agency created to assist those looking for business locations and increased trade opportunities. The partnership is governed by a 24-member Board Of Directors comprised of businesspersons from around Virginia, each of whom is appointed by the Governor and the General Assembly.

For more information: 901 East Byrd Street

P.O. Box 798  
Richmond, VA 23218-0798  
Phone: (804) 545-5600  
Website: [www.yesvirginia.org](http://www.yesvirginia.org)

- **Virginia Employment Commission:** A state agency dedicated to promotion of economic growth and stability by delivering and coordinating workforce services including policy development, job placement, temporary income support, workforce information, and transition and training services.

For more information: 703 E. Main Street  
Richmond, Virginia 23219  
Phone: 1-866-832-2363  
Website: [www.vec.virginia.gov](http://www.vec.virginia.gov)

# Appendix B:

## Chamber Strategic Actions

To assist with the retention and expansion of existing local businesses, and to ensure a strong membership base, the Chamber will consider the following projects, programs, and services to assist local businesses, particularly with regards to displacement:

- 1) **Annual City Legislative Package:** The Chamber, through its Board and Legislative Committee, will publish an annual legislative program which will be used to set forth Chamber policies and priorities on local businesses and will be used to educate City officials.
- 2) **Establish A Mentor/Protégé Program:** The Chamber will develop a mentor/protégé program to partner new and potentially displaced local businesses with established community business leaders. The program will be used as a way for the mentor and protégé to discuss opportunities for business planning, relocation, and challenges the protégé may be facing. It is anticipated that protégé candidates for the program will: (a) be an established business for three years or have ten years expertise in their field; (b) agree to Chamber membership for three years; (c) provide clear, measurable goals with the assistance of a mentor; (d) be willing to take instruction from others; and (e) commit to one face-to-face meeting per quarter.
- 3) **Establish A Local Business Roundtable:** Local businesses often benefit when they meet with each other to discuss ideas, share leads on services, and simply by getting to know each other better. The Chamber has the ability to bring local businesses together in informal settings. To create stronger, more vibrant local business communities, the Chamber will develop a quarterly Local business Roundtable as a peer support group to provide an important educational opportunity to smaller businesses. Topics of discussion will vary, allowing attendees to learn how to enhance their business and increase their success.

With sufficient interest, the roundtable could help establish economic self-sufficiency and stimulate entrepreneurship amongst local business owners. It could also address and tackle issues of interest, such as displacement, tax rates, human resources, and marketing strategies, and ensuring the City cuts red tape and provides the services that local businesses need. The roundtable would mainly function as a voluntary organization of individuals and businesses working together to promote the commercial, financial, economic, and civic interests of the City's local businesses.

- 4) **Conduct A Displacement Study:** The Chamber, working with the Falls Church Economic Development Office, will conduct a citywide analysis of retail and local business displacement that has occurred as a result of new development. The results of the study will help the Chamber identify members who are potentially vulnerable to redevelopment

efforts, and will help direct the Chamber's outreach to those members and apprise them of the potential for redevelopment and of this document.

- 5) **Local Business Survey:** The Chamber will conduct a survey to assess the impacts of recent development in the City from the perspective of local business owners and managers. Issues covered by the survey will include whether increased development has been positive or negative (and why), transparency of the development process, how the development process could be improved, and what, if any, educational assistance a business owner desires.
- 6) **Comprehensive Space Inventory:** Building upon the Economic Development Office's list of available office and retail spaces, the Chamber will work to expand the list to include available office and retail space within the vicinity of the City's corporate limits including, but not limited to, the East Falls Church, West Falls Church/Lee Highway, Annandale Road, Seven Corners, and Idylwood areas.
- 7) **Business Retention Outreach Team:** The Chamber will advocate for the creation of a team comprised of City staff, local business representatives, and Chamber officials to meet and conduct site visits, as needed, with existing merchants and local businesses to help ascertain and respond to problems that emerge with redevelopment projects. Additionally, the team will conduct a series of outreach visits to listen to existing businesses, learn more about the issues and opportunities they face in the City, and apprise them of public incentive programs.
- 8) **Development Evaluation Process Criteria:** The Chamber will revise its established criteria for review of proposed real estate development projects to include a new criterion addressing whether the project considers the needs of existing commercial tenants in a meaningful way. Before determining whether the Chamber will support a project in which local business tenants may be potentially displaced, the Chamber's Legislative Committee will facilitate at least one meeting with any interested local business owners.
- 9) **Broker Encouragement:** Matching existing local businesses in Falls Church with existing small spaces in the City is a top priority. The Chamber will establish an award program to recognize and reward those brokers who successfully provide pro bono support to merchants and other small enterprises in need of relocation assistance.
- 10) **Lower Chamber Membership Dues:** The Chamber will consider waived or discounted fees for members for one year which are displaced due to redevelopment activities.
- 11) **Potential City Initiatives:** To create a business-friendly environment that encourages local business growth, particularly for displaced companies that wish to remain in the City, the Chamber will consider advocating for adoption of the following legislative initiatives by the Falls Church City Council:



- a. **Citywide Local Business Retention Initiative:** The Chamber will advocate for the creation of a citywide retail retention and relocation policy geared towards encouraging existing City businesses to relocate within the City's corporate limits.
- b. **Bonus Density:** The Chamber will advocate for the inclusion of density bonuses in the City Code for redevelopment projects where applicants agree to facilitate affordable local business space. Under such a scenario, the City would permit bonus density in exchange for meeting a designated percentage of affordable rental space.
- c. **Waiver of Fees For Relocation:** The Chamber will advocate for an amendment to Section 15-20 of the City Code to reduce or eliminate fees for local businesses relocating within the City due to redevelopment displacement.
- d. **Lower Fees At City Events:** The Chamber will advocate for waived or discounted fees for eligible local businesses which exhibit at City Events in which vendors and exhibitors participate including booths at the Fall Festival, Memorial Day Parade, Farmers Market, and more.
- e. **Fast-Track Permitting:** The Chamber will advocate for a streamlined fast-track permitting process for local businesses wishing to relocate within the City. The process would streamline review and approval of all construction-related permits to allow businesses to locate to new space quickly. The Chamber will work with the City Planning Department to ensure that the policy on expedited permitting for City businesses is followed.
- f. **Relocation Fund:** The Chamber will advocate for the establishment of a fund to provide relocation assistance for qualifying displaced businesses that relocate to another City location. Such fund would be established by the City, be subject to evaluation criteria, and used for relocation expenses including reprinting business cards, telephone installation, and other moving-related expenses.
- g. **Application Notification:** The Chamber will advocate for establishment of a timely notification letter to be distributed to known business tenants whenever a site plan, rezoning, special exception, or variance application is submitted for their building.
- h. **Lower BPOL Taxes For Displaced Businesses:** The Chamber will advocate for lowering the effective rate of the business, professional, and occupational license tax for a set period for displaced businesses which relocate within the City.
- i. **Lower Exhibitor/Sponsorship Fees At City Events:** The Chamber will advocate for waived or discounted fees for displaced local businesses to exhibit at, or sponsor, City events such as the Fall Festival, Memorial Day Parade, and Farmers Market.



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