

Mount Olivet Parking Lot Town Hall 3-20-22 Q+A

The following questions were asked during the Town Hall. Responses to individual questions are captured in the video presentation. In this summary, we have provided broader discussions of the general topics (e.g., Community, Building, Traffic, etc) in the paragraphs that follow these questions. The questions are addressed to some degree in these summary paragraphs and cross references are provided to identify which questions are addressed. These summaries will be updated time-to-time as new questions and topics are identified.

1. How long have you been a member, how long do you plan to stay?
2. Many churches have moved to incorporate affordable housing, what would we do differently? How do we incorporate a multitude of activities?
3. Would affordable housing be more difficult because it doesn't conform to the existing zoning? Is that a true statement about the other options on the table (that our short list does not conform to zoning)?
 - a. Michael reframed as - how do we accommodate parking and housing simultaneously
4. The plan doesn't preserve the green space, what's the thinking here?
5. What are some of the options for parking that have been considered? Is it all underground parking?
6. Are we really thinking of a ground lease for 75-100 Years? Or is there an option that would allow the church to fully own it much sooner?
7. What is the expected life cycle of the building/what does amortization look like? Ex. ongoing building maintenance. Will the building still be useful at the end of 75 years?
8. Would a project that did NOT include affordable housing make it more difficult to find a partner in development?
9. Are there height restrictions to be considered?
10. Are there any comprehensive planning activities for the future/development of Glebe Rd that we need to account for?
11. What kind of volume are we talking about in terms of size? How big is the building? How much green space? How much traffic?
12. Where does Mt. Olivet feel the most "energy" around the needs so that we can infer the size of the building. Many of those needs can be served on other pieces of land, and others will be way more in touch with this community and neighborhood.
13. Once ground is broken, how long will it take to have a building in place.
14. How will the appetite for the project be assessed (beyond just the town halls)?
15. Think about the future parking needs if the church grows from 1800 to 3000, how would we expand with a concrete block on top of our max parking?
16. Covenants - what are the downsides of someone else owning/managing the building on our property where we might not have tight ownership? (Liability context)
17. Other churches that have taken on these projects have been in a desperate financial situation. We are not desperate, does that affect the options that we have?
18. Have we talked to the greater UMC, and partner with them to do something greater in the community? Clarified: How can we expand the ministry of the UMC using our

space? Instead of just how can we make money in our space, how can we provide the services to our community in our space?

19. We currently give priority to congregation members to access our preschool, would there also be an option to prioritize congregation members via our covenants in an expanded daycare?
20. Please consider the traffic on 16th street as we proceed deeper in consideration of the project.
21. Hypothetical: If there was a 4 story building and the 1st floor was commercial and the remaining 3 floors were affordable housing, how many units could the building hold?
22. Have you already talked to folks in the county and service organizations what the needs are that we are trying to address?

Addressing the needs of the Community and Arlington County (Questions 2,3,5,10,12,14,15,17,18,21,22)

Mount Olivet is having discussions of developing a purpose-built, multi-use building on the site if it's current parking lot. In the past two years, a task force at Mount Olivet has explored the potential for such a development. The work of the task force focused on addressing the needs of the community and Arlington County that are in high demand and that align with ministries of the church. Accordingly, the discussions narrowed in on child care, affordable housing, senior housing and medical offices as potential occupants/tenants in the building. Additional discussions in the meeting suggested consideration of care for the elderly. The use-mix of the building is a key consideration for Mount Olivet's needs for parking on Sundays. While some of the users such as affordable and senior housing will legally require us to provide continuously available (24/7) parking, users such as medical offices will not require on-site parking on Sundays. The medical offices being discussed are routine office hours, not emergency or urgent care facilities.

Although a plan for the Mount Olivet space has not been developed at this stage, initial discussion included consideration for functional elements that can support the broader needs of the community and the UMC. Such as additional kitchen space for food programs and showers/locker rooms that can accommodate mission groups.

Many of the needs of the community are broadly known and shared by Arlington County's comprehensive website and by specific initiatives such as [Affordable Housing Master Plan \(adopted Sept. 2015\)](#). Should Mount Olivet seek to continue on the journey of exploration for such a development, we will engage further with Mount Olivet groups, organizations and community groups to identify needs.

The Building (Questions 4,5,9,11,15, 21)

Mount Olivet is having discussions of developing a purpose-built, multi-use building on the site if it's current parking lot. In the past two years, a task force at Mount Olivet has explored the potential for such a development. Mount Olivet has title to nine parcels on or adjacent to the 1600 block of N. Glebe Rd. The properties under consideration are the three parcels comprising the parking lot, The Green, and the associate pastor parsonage, which provide an area of approximately 84,500 square feet for development. No specific plans or conceptual building design have been developed. Discussion has focused on what are the potential uses of the site.

Building concepts will take into account allowable Floor Area Ratio (FAR) that can be built. FAR is the ratio of building square footage to the lot size. So a FAR of 2.0 will allow a building size of $2.0 * 84,500 = 169,000$ square feet. Zoning considerations will dictate allowable FAR for the site. FAR 2.0 was used here for illustration only.

The building will include underground parking to accommodate occupants and church parking on Sundays. Two levels are a reasonable expectation for such a building. More than that becomes prohibitively expensive. The total square footage that would actually be considered

would take into account the parking requirements to satisfy potential occupants, tenants and church parking on Sundays. Accordingly, a larger and therefore taller may exceed the availability of parking so may not be feasible. Building size and height are still very much under consideration. The total square footage of green space on the site will increase above the current area.

Traffic (Questions 10, 20)

Traffic in a neighborhood is very important and fortunately in the county of Arlington it is highly regulated in any new project. So it is our commitment to make sure that traffic is managed to the utmost safety and this project, should it proceed, will have a traffic consultant in all of its designs and will be within the standard of care and the legal guidance of Arlington County.

Construction (Questions 13)

Construction, if any, based Mount Olivet's decision to pursue, is years away. If the project moves forward, pre-construction activities of partnering with a developer, zoning and site plan negotiations with the county, legal and financial could take two to three years. Construction could take on the order of 12 - 18 months.

Financial Considerations (Questions 6,7,8,17)

Mount Olivet would partner with a high-quality, financial sound and well respected developer. Mount Olivet would then enter into a long term ground lease with the developer. That ground lease will provide revenue to Mount Olive either in the form of a lump sum Net Present Value payment or in the form of recurring annual revenue. A third option is to blend the two so that Mount Olivet could receive a portion of the Net Present Value with the remainder coming in reduced annual payments. Whichever payment process is agreed upon Mount Olivet retains title to the land throughout the term of the ground lease. Ground leases of this nature can be on the order of 75-100 years. Shorter terms can be negotiated; however, this would be dependent on the developer being able to amortize and recoup their investment during the term of the lease.

The partner/developer funds and constructs a multi-use building that is purpose-built to address the needs and uses of our community and our church. Current market conditions suggest that there are a sufficient number of interested developers to provide Mount Olivet with the opportunity for competitive bidding.

Mount Olivet would purchase a portion of the building for its use as a community center. The Mount Olivet Community Center space is that portion of the building commensurate with the value of the Ground Lease, thus avoiding the need for a capital campaign on the part of Mount Olivet.

Building improvements, updates and potential expansion of Mount Olivet space are expected to occur over the term of the ground lease. At the end of the ground lease, Mount Olivet owns the building and the land.

Governance and Oversight (Questions 16,19)

Mount Olivet will provide governance and oversight of the building without the need to manage building operations on a daily basis. Mount Olivet establishes covenants that flow down as contract requirements to the tenant/operate companies. These covenants are constructed to protect Mount Olivet's interests financially, legally and spiritually - meaning that they can limit or restrict certain types of activities or operations that do not align with the interests of the church or the community.

The developer/partner identifies and negotiates with tenant/operating entities. Mount Olivet's role at this point is more of an oversight role and would have periodic meetings with the tenant/operators to conduct performance reviews to assure the building is being maintained and operated within the spirit of the requirements laid out in the covenants.

The tenant/operating companies manage their scope of building operations. For example, one company may manage the medical office space, another for affordable housing and another for age-related housing. For example Central United Methodist Church in Ballston has an affordable housing element. They have established a 501(c)3 organization that manages that portion of the building through APAH, the Arlington Partnership for Affordable Housing. Wesley House also has a similar arrangement that manages operations of this nature.

Mount Olivet covenants remain as contract flowdown requirements should any of the tenant/operating companies change hands over the term of the Ground Lease. Should the tenant/operator change hands, the governance requirements for Mount Olivet will remain intact, thus protecting our interests.