

A vertical graphic on the left side of the slide featuring the stars and stripes of the American flag. The top section is blue with white stars, and the bottom section is red and white stripes.

2010 NAIOP BRAC ATTACK TOUR

I-95 / SPRINGFIELD BUS TOUR

25th Anniversary – NAIOP Bus Tour



BP in Springfield Before Springfield was Cool

VA-95 Industrial Park



What got us excited about Springfield in 1981?

- Considered an “industrial” market
- Large government “reservations” formed “hard edges”
- Created extreme barriers to entry
- I-95 only direct interstate access (truck traffic) to DC
- Outstanding labor pool
- Ft. Belvoir – not even a factor

BP – Thirty Years of Progress in Corridor

■ VA-95 Business Park (1981-present)

- Conversion of industrial to office
- Now have over 1M SF developed in park

■ Kingstowne Office Park

- Acquired in 2005
- 395,000 SF amenity rich office park
- Reston Town Center “light”

■ Springfield Metro Center

- Acquired in 2005
- Direct response to BRAC
- Focused on access to Metro / VRE
- Two product types:
 - 500,000 SF highly secured
 - 500,000 SF flexible office

Why are we so Bullish on Springfield in 2010?

- Government “reservations” now demand-generators
 - Still barriers / hard edges
 - Now create thousands of jobs
- Potential for major supply-demand imbalance in all areas
- Creating enhanced vehicular infrastructure
 - Fairfax County Parkway / Mixing Bowl / HOT lanes
- Significantly improved public transportation
- Same great labor pool

Major Challenges Today

- Severe lack of amenities
- Traffic within the region
- Will technology negate the need for proximity?
- DOD cutbacks

NAIOP Bus Tour: Day off from school

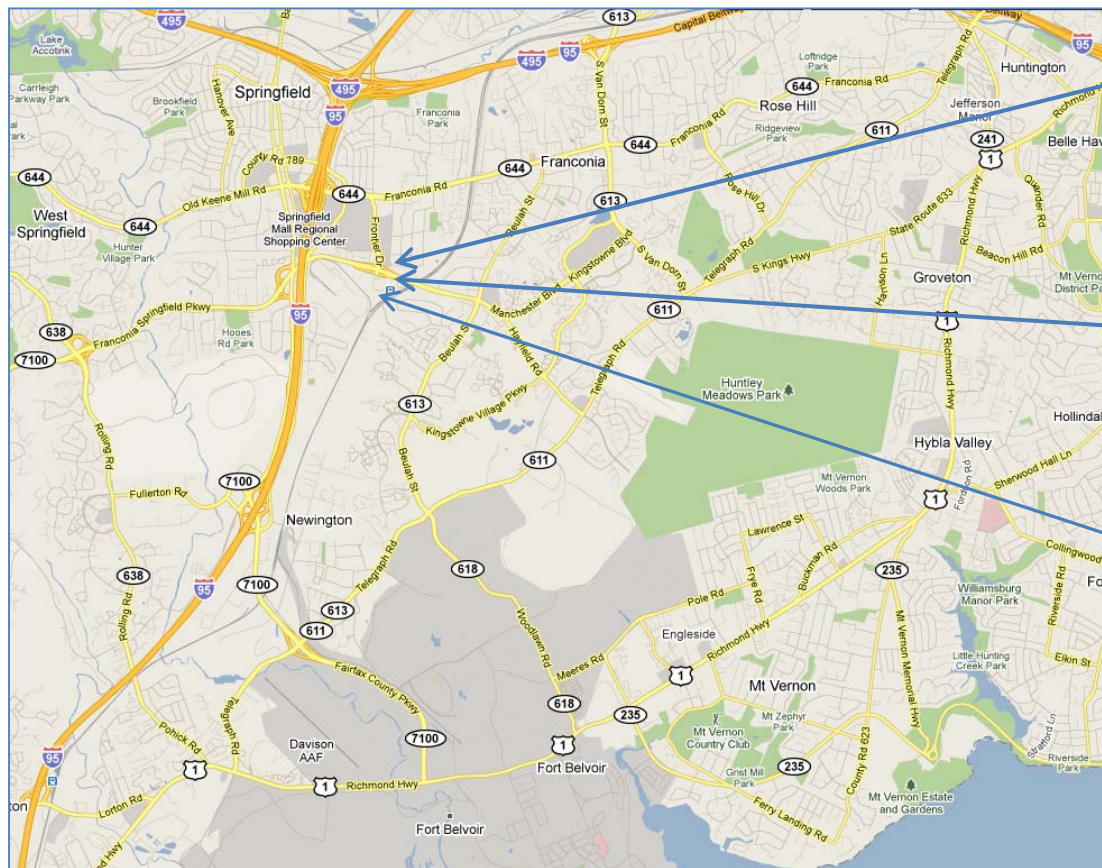
Homework Assignment



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If we build, will they come?

Does the Defense / Intel community leave Rosslyn, Crystal City, Dulles Corridor and follow NGA and others to Springfield market? Does modern communication / technology negate the need for immediate proximity? Do you build spec in anticipation?



Scitor Corporation

Reston

SAIC
From Science to Solutions

Tysons

Northrop Grumman

Crystal City

And if they come, where will they go?

- ✓ **COPT** - Proximity to NGA
- ✓ **BP** – Setbacks and METRO & VRE
- ✓ **Monument / ING** – Proximity to Amenities



\$50 Rents in Springfield?

With limited development capacity, relatively high replacement costs, and significant increase in demand, do rents in the I-95 corridor rival Crystal City, Tysons, or Reston?



Okay, GOT IT! We want to develop here too, but where?

How do developers enter such tight constrained market and find suitable development sites?



“Warehouse to the Penthouse?”

Will lack of office options enable developers to “scrap” 1950 industrial parks to create office parks?

2010



2020



Reston Town Center Redux

With virtually no in-place amenities, can “Downtown Springfield” or Springfield Mall be revitalized as the “go to” amenity center of the I-95 Corridor?

TODAY



2015



What will happen to the Springfield GSA Warehouse?



