

**CREATING PLACE + COMMUNITY**  
**INNOVATION IN DEVELOPEMENT**

NAIOP 2017 - North Virginia

**KPF**

# KPF Worldwide



**51** Countries of origin  
**32** Languages spoken

# KPF OFFICES



New York



London



Hong Kong



Shanghai

# TYOLOGIES



# KPF MIXED-USE MASTER PLANS



Roppongi Hills, Tokyo



Lotte World Tower, Seoul



International Commerce Centre, Hong Kong



Jing An Kerry Centre, Shanghai

# KPF MIXED-USE MASTER PLANS



Roppongi Hills, Tokyo



Lotte World Tower, Seoul



International Commerce Centre, Hong Kong



Jing An Kerry Centre, Shanghai

## WHAT MAKES A **MIXED-USE** DEVELOPEMENT?

- Office
  - Residential
  - Hotel
  - Retail
  - Food + Beverage
  - Entertainment
  - Assembly
- 

- Observation
- Art Program
- Event Program
- Green Space /  
Public Room
- Museum
- Educational
- **Hospitality / Service**

# ARCHETYPE *vs.* PARADIGM





**Rockefeller Center**  
New York | SL Green | 492,386 SM | 375 M



TOP OF THE ROCK  
this is our holiday

THE ROCK  
this is our new year

SWAROVSKI

THE CONCOURSE  
ROCKEFELLER CENTER

THE CONCOURSE  
ROCKEFELLER CENTER





## WHATS GREAT

- Iconic Public Space
- Transit Oriented
- Multiple Ground Planes
- Cohesive Design
- An Events Program
- Its Timeless...



## WHAT'S WRONG

- No Hotel
- No Housing
- Weak Food & Beverage Experience
- Minimal Cultural Diversity
- Too Touristy (No Locals)
- Limited Office Space Variation
- Limited Green Space
- Its Old..

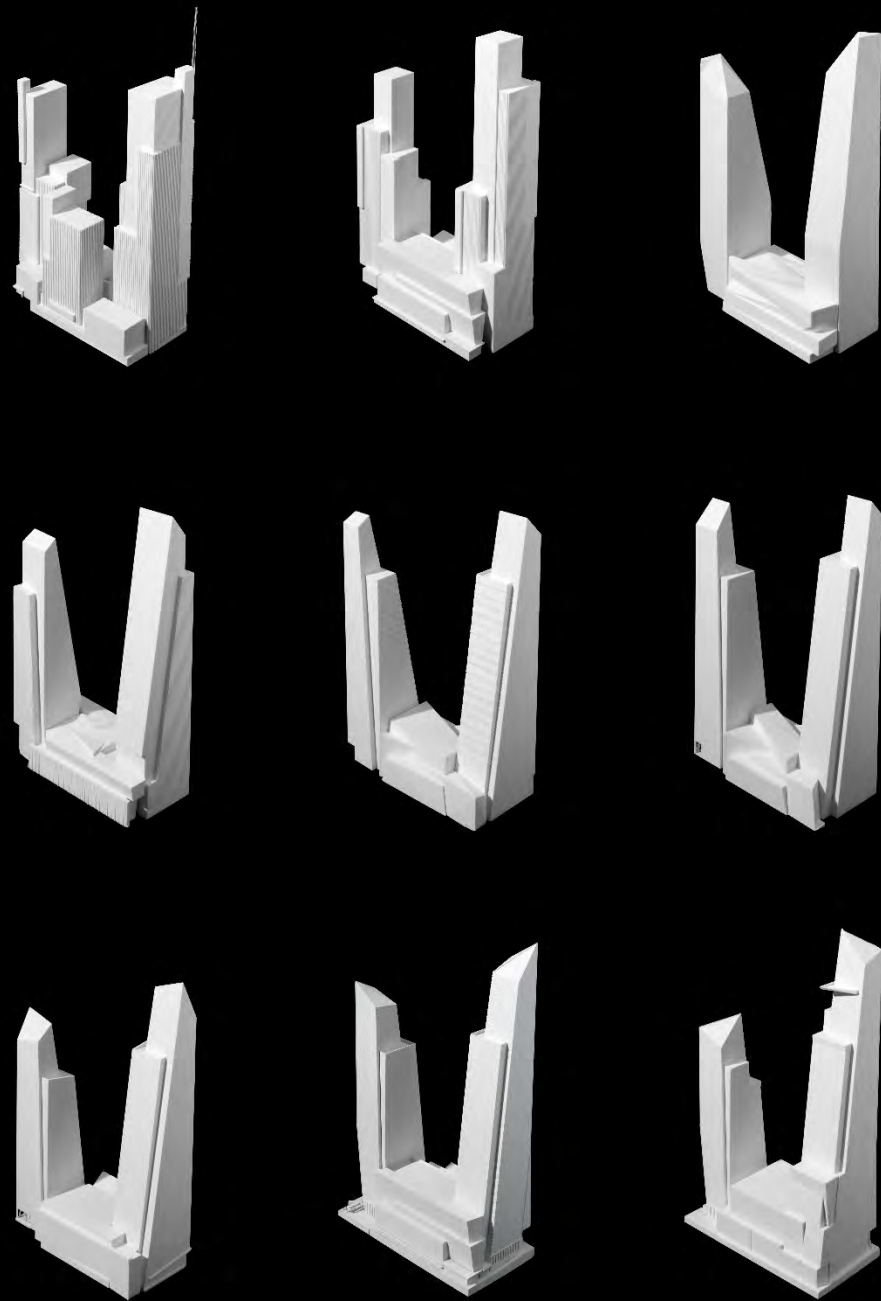
# TRENDS

- Collaboration
- Density
- Flexible Space
- Diversity
- Integrated Use
- Amenity Rich
- Green Programs
- Sustainable Thinking
- Resiliency
- Repositioning



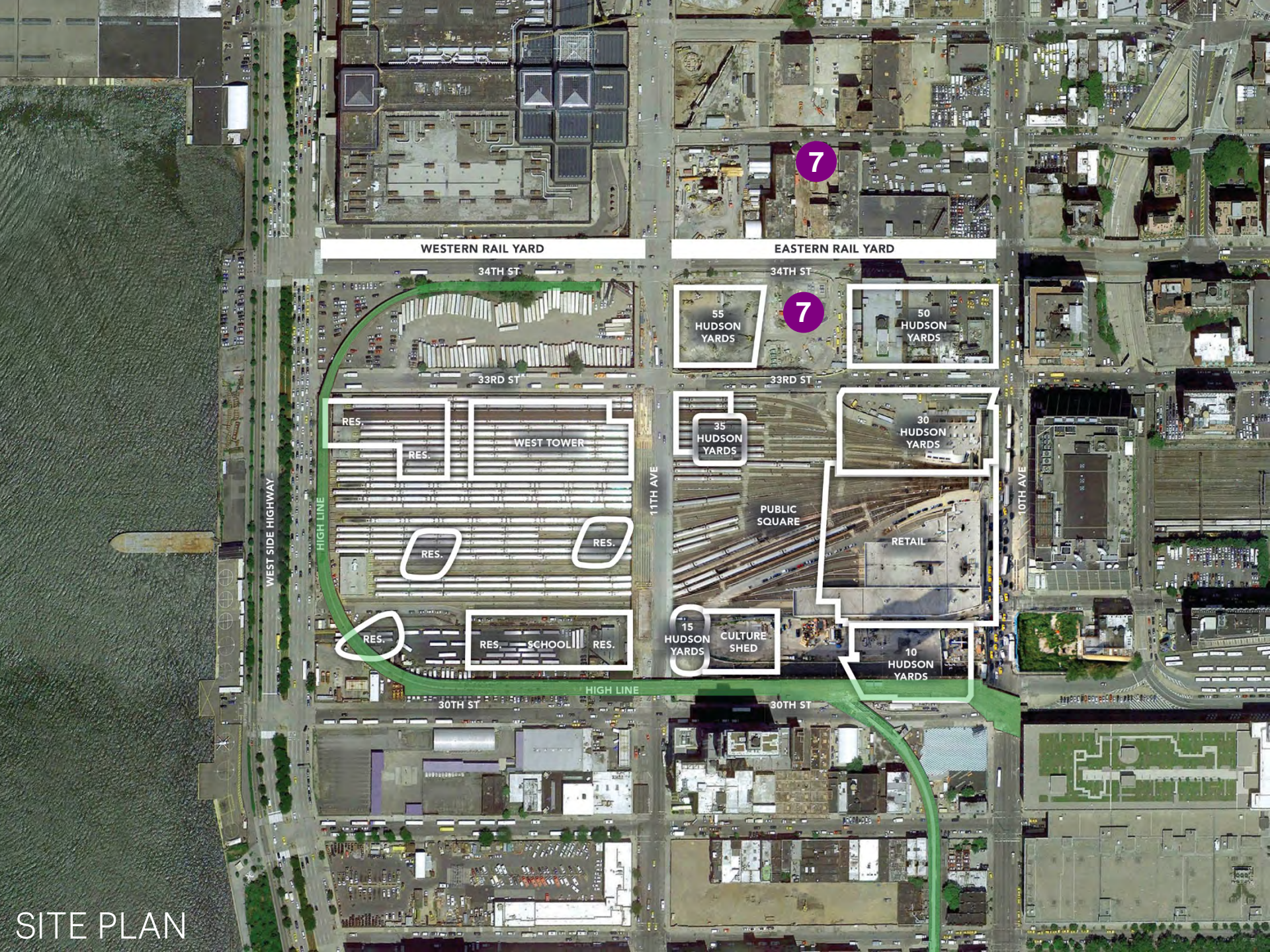
# Hudson Yards

New York | Related Companies & Oxford Properties | 492,386 SM | 375 M



PROCESS

# SITE PLAN



WESTERN RAIL YARD

EASTERN RAIL YARD

34TH ST

34TH ST

33RD ST

33RD ST

RES.

RES.

RES.

RES.

RES.

SCHOOL

RES.

35 HUDSON YARDS

55 HUDSON YARDS

30 HUDSON YARDS

50 HUDSON YARDS

PUBLIC SQUARE

RETAIL

15 HUDSON YARDS

CULTURE SHED

10 HUDSON YARDS

HIGH LINE

30TH ST

WEST SIDE HIGHWAY

11TH AVE

10TH AVE

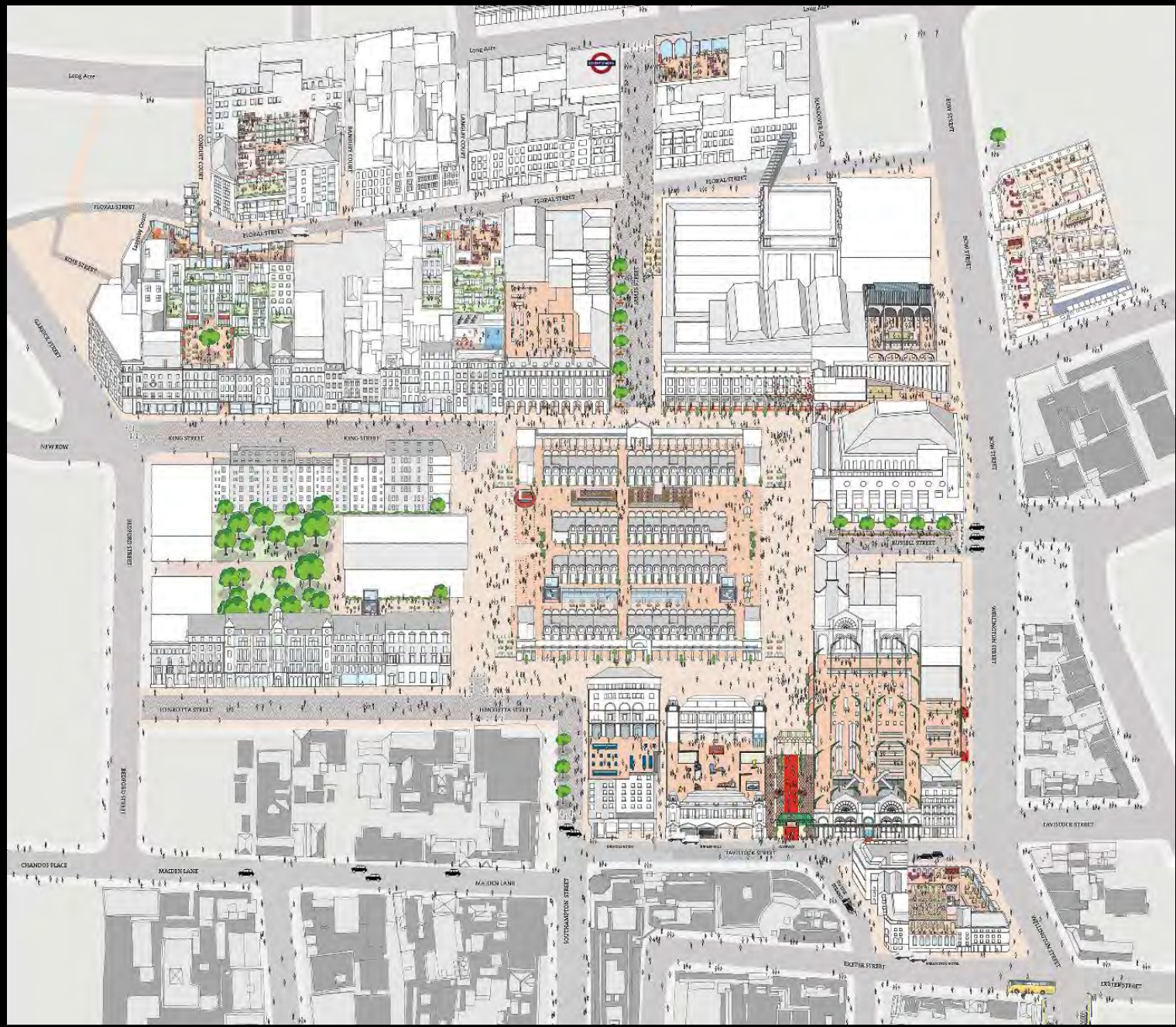




**PLACES**



**Covent Garden**  
London



SITE PLAN



# Kings Court (under construction)

London | CAPCO | 15,800 SM | 51 Units







**Langham and Andaz Xintiandi Hotel**  
Shanghai | 62,000 SM | 713 Keys





太平湖地区原貌



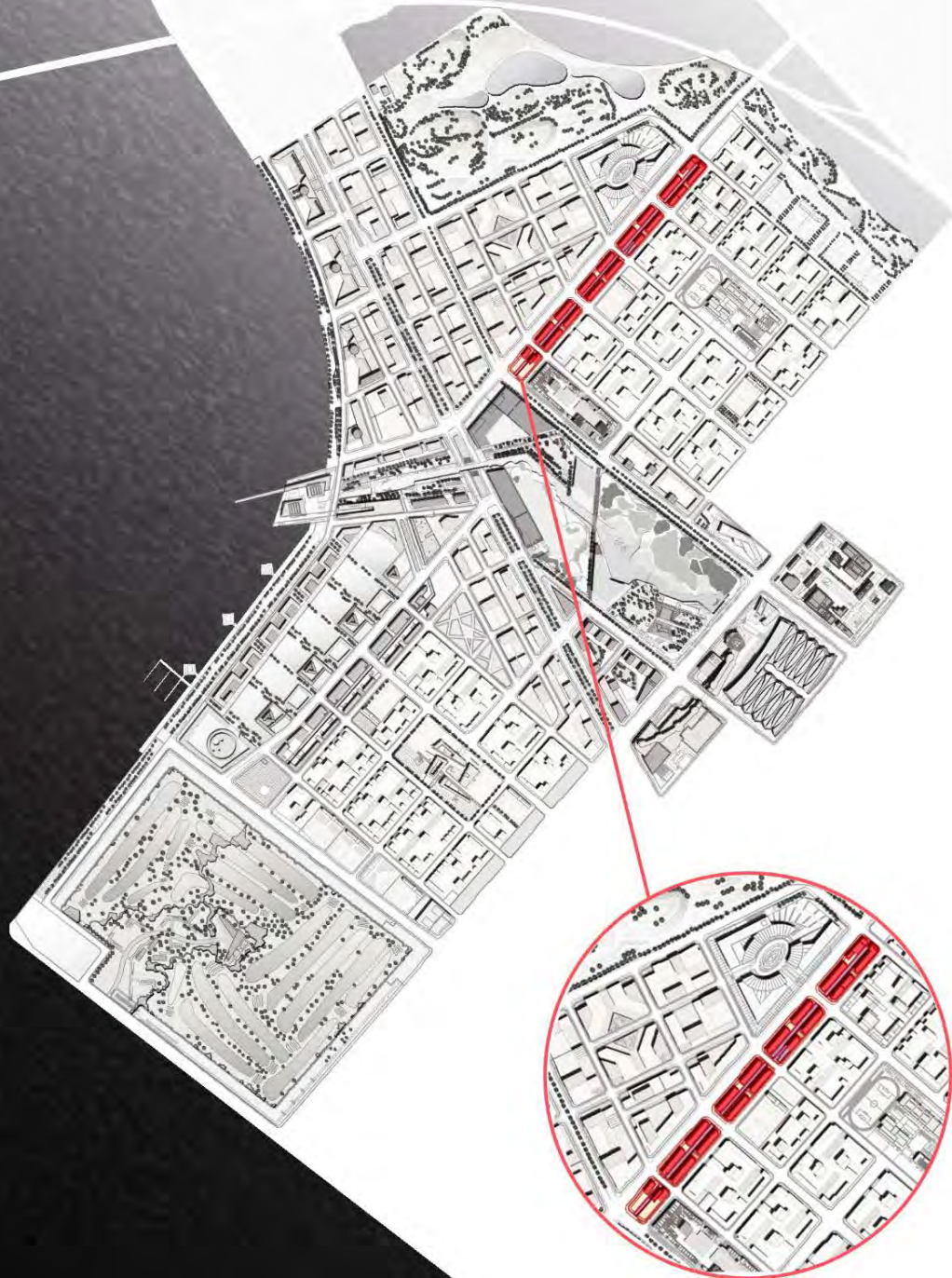
SITE PLAN





# Songdo Canal Walk

Incheon | NSIC | 120,000 SM | 345 Officetels



SITE PLAN





SPAO

SMOOTHIE KING

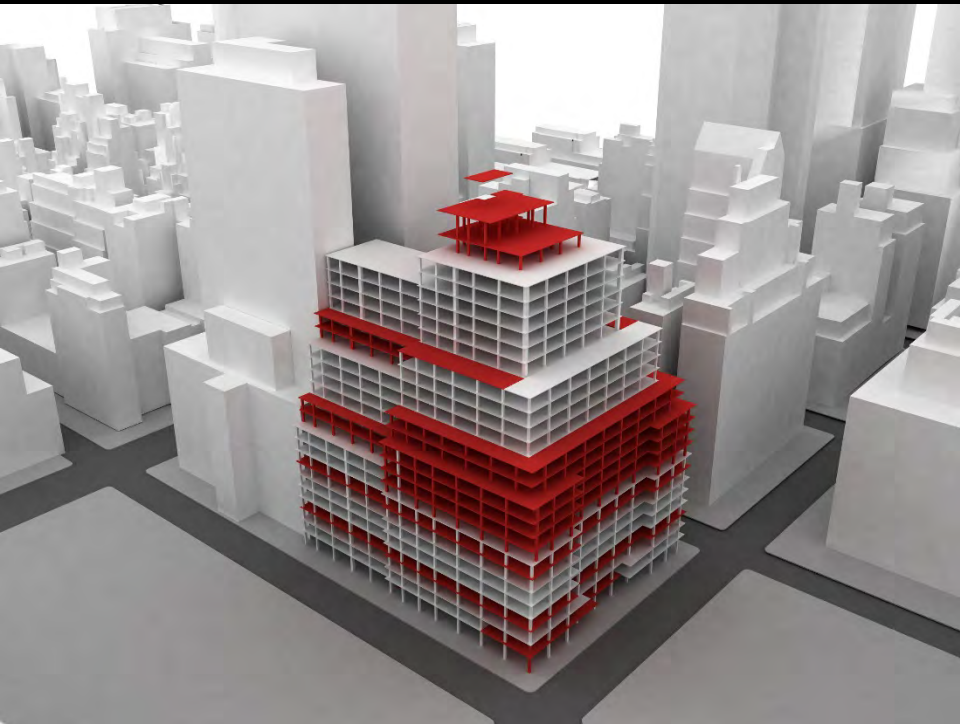
SMOOTHIE KING

**BUILDINGS**





**390 Madison Avenue (Under Construction)**  
New York | L&L Holdings | 83,400 SM



PROCESS





**Unilever House (2007)**  
London | Unilever plc. | 36,500 SM

OLD



NEW

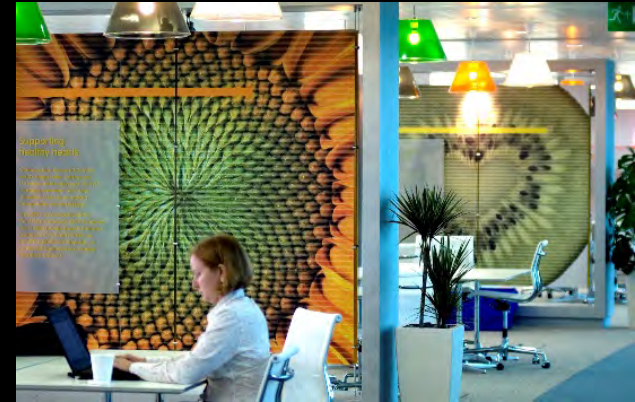


Demolition

Reconstruction





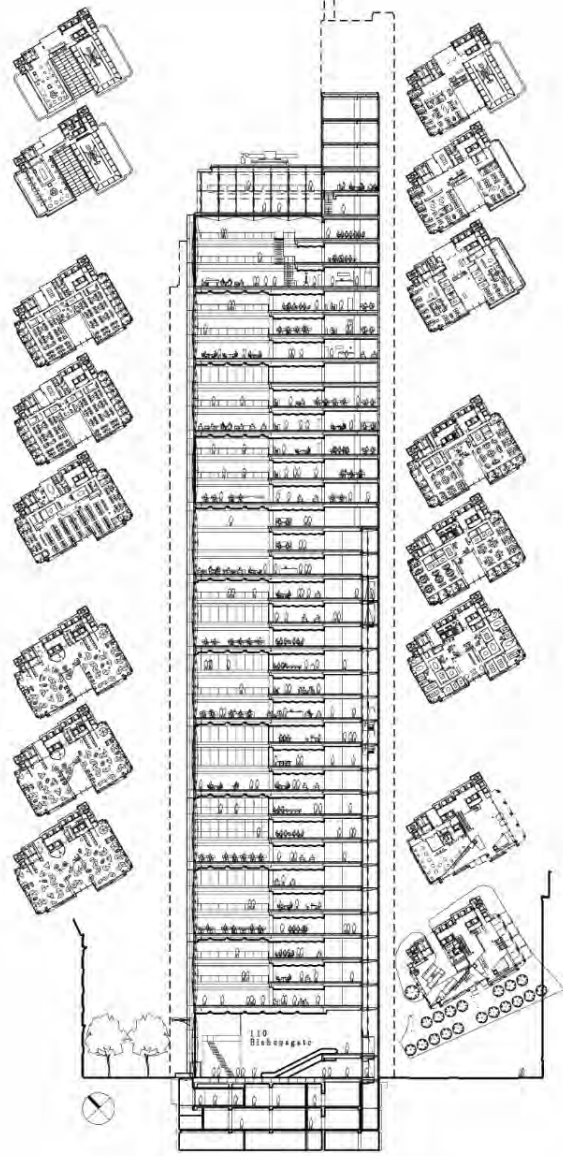






**Heron Tower (2011)**

London | Heron Properties | 65,000 SM | 202 M



0m 50m



0m

200m





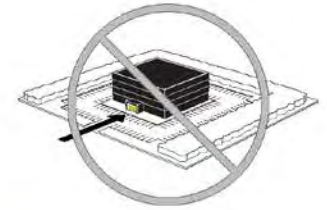








EXISTING



**TYPICAL CONDITIONS:**

LANDSCAPE REMOVED

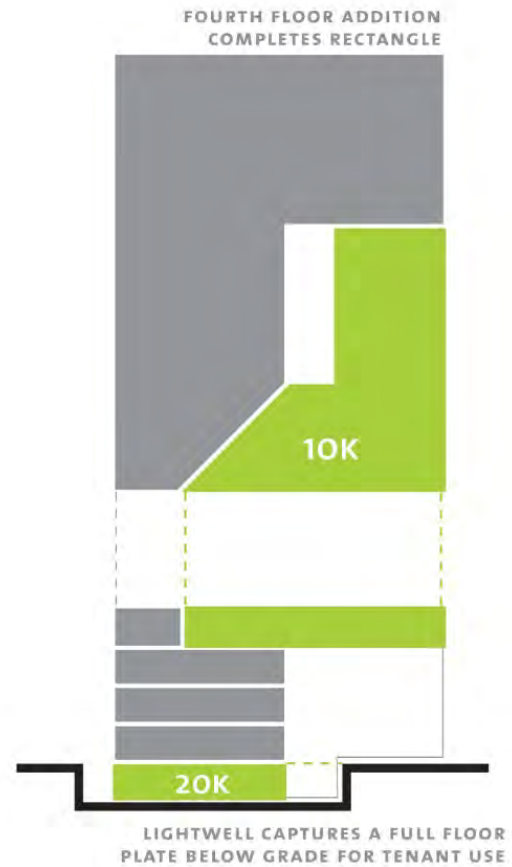
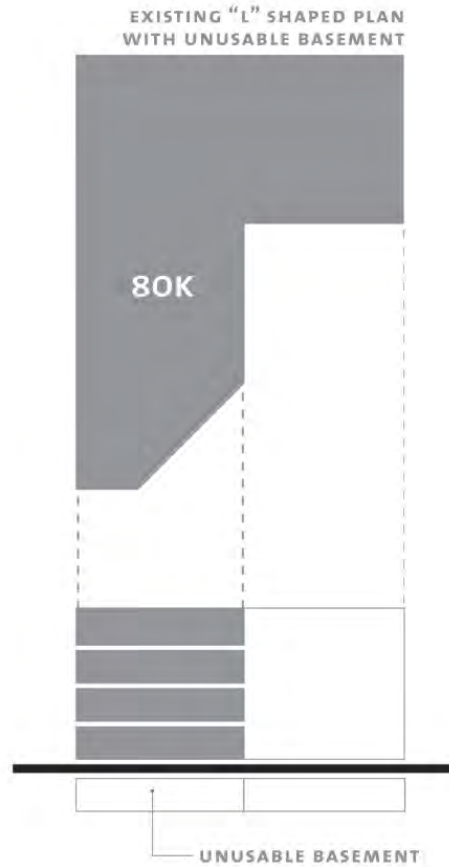
SEA OF PARKING

NON-INTERACTIVE FORM

REJECT MODEL OF TYPICAL DEVELOPMENT



# TRANSFORMATION



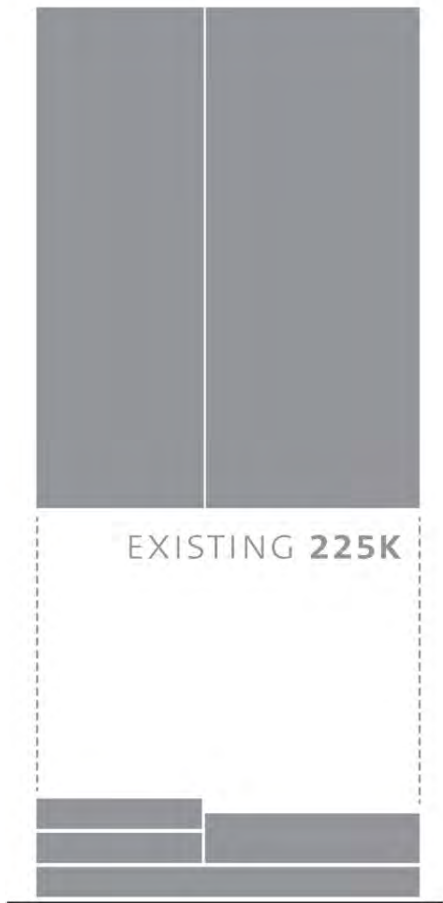


**Centra Metropark**  
Iselin | 12,219 SM | 16 M

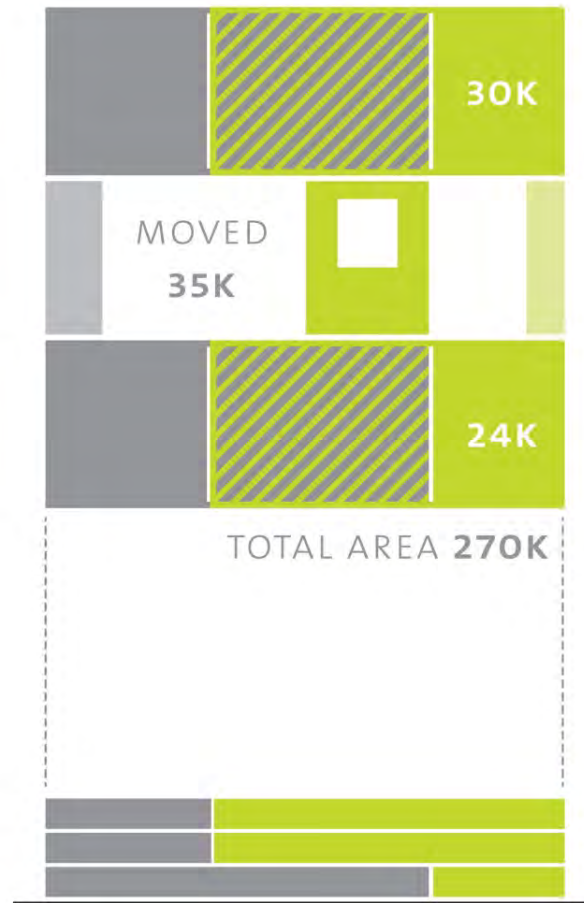








EXISTING BUILDING  
WITH USEABLE PLATE SIZE



OPENED BUILDING  
WITH ADDITION

OPENING BUILDING



**175 Park Avenue**  
Madison | 26,477 SM | M











**THANK YOU**



## *Destination Virginia?*

NAIOP March 23, 2017

# Our Perspective / Typical Focus



Understand the **baseline** of current state operations



Determine the **business case** associated with a redeployment and consolidation



Identify the optimal **location** to support the consolidated or redeployed operations



Facilitate the negotiation of **incentives** reflective of the size / scale of the investment



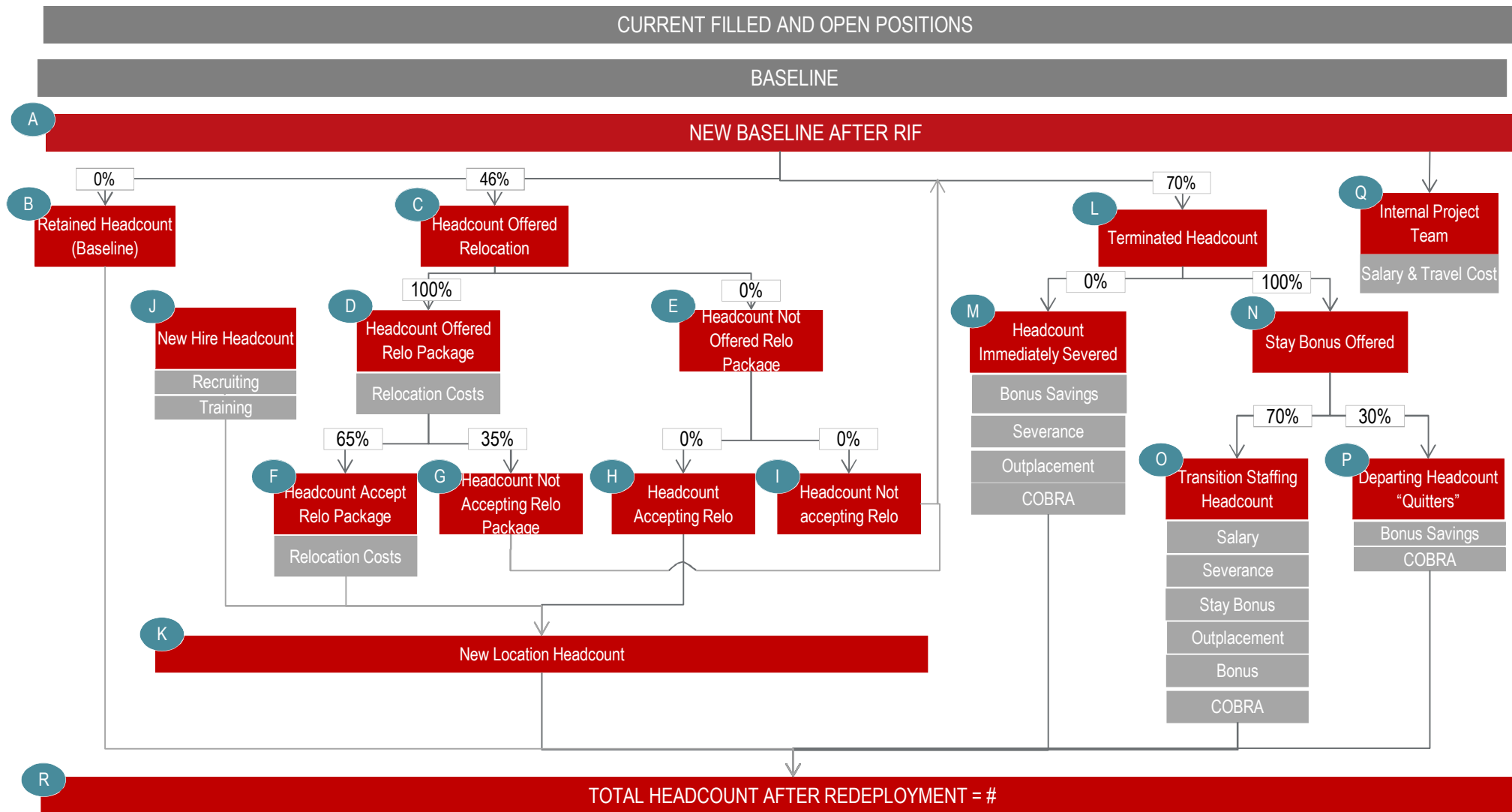
Facilitate the negotiation and structure the optimal **real estate transaction** (terms and conditions)



Facilitate the **build-out** the new operation on time and on budget



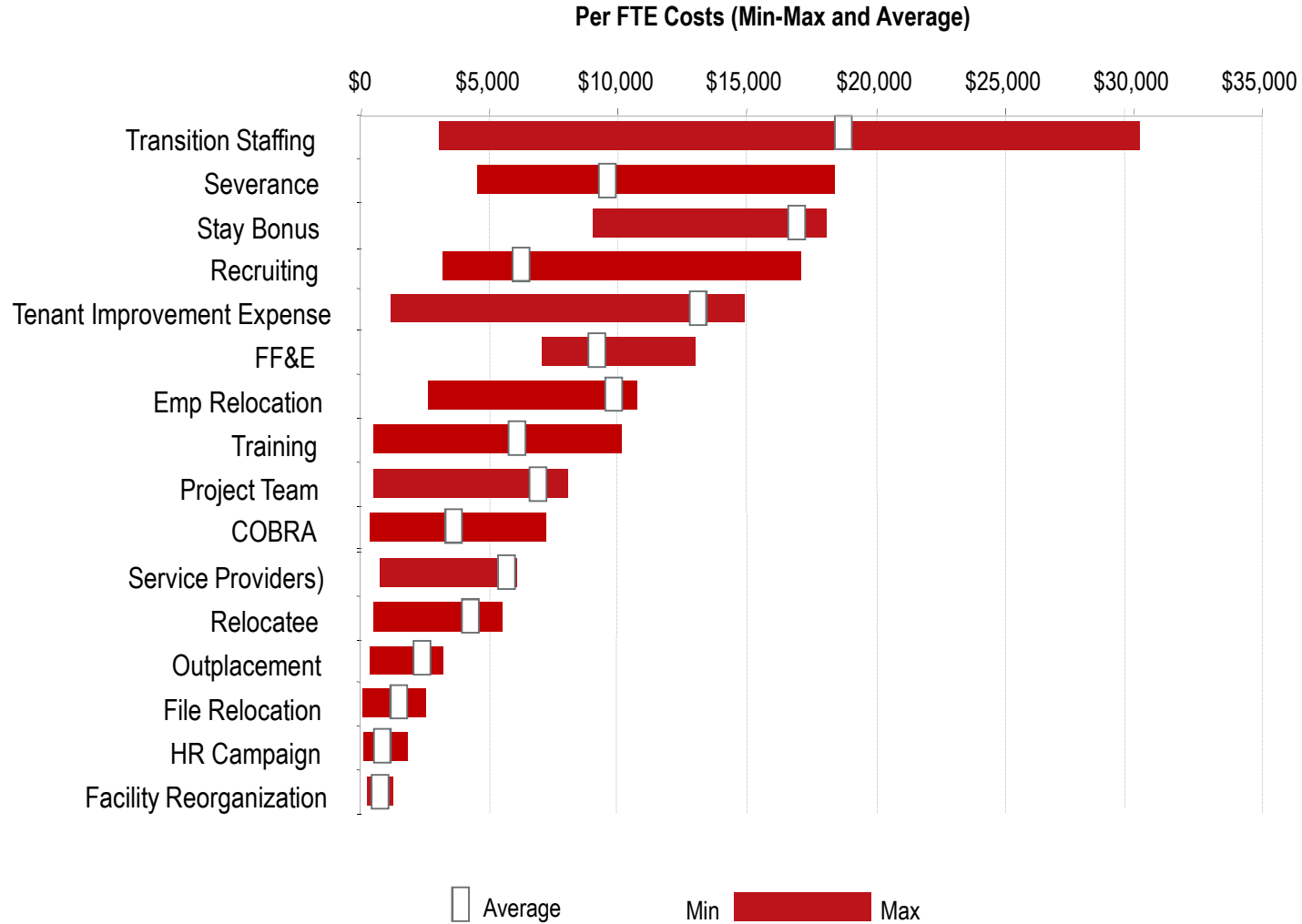
# 30+ Assumptions Drive the Business Case when Moving Operations





# One-time Costs Determine ROI

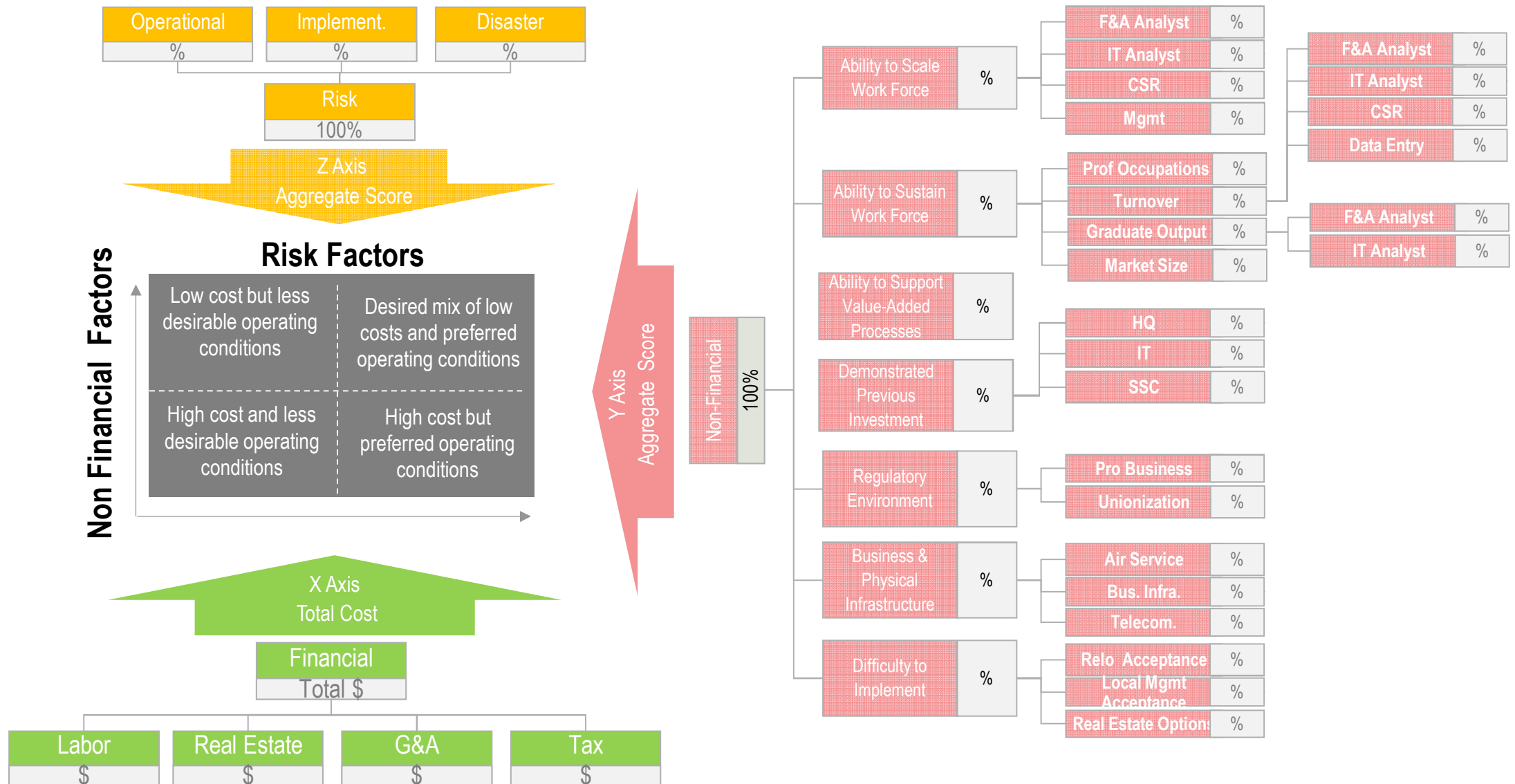
Rule of Thumb! US\$65,000 to \$110,000 per in-scope job







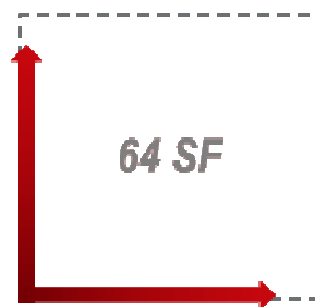
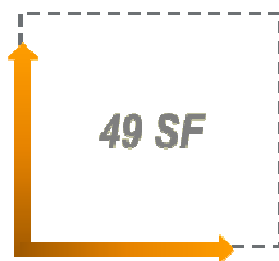
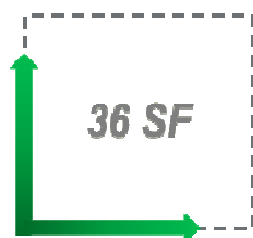
# Location Analytics - Measure Alignment with Goals



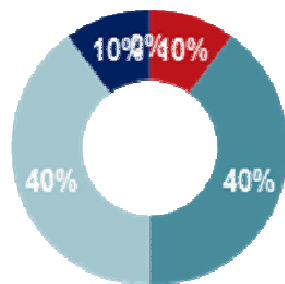
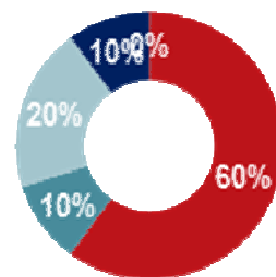
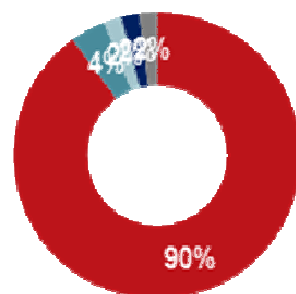


# Workplace Concepts - Size the RE Envelope

### Workstation Sizing – small to large



### Space Use – Individual to Collaborator

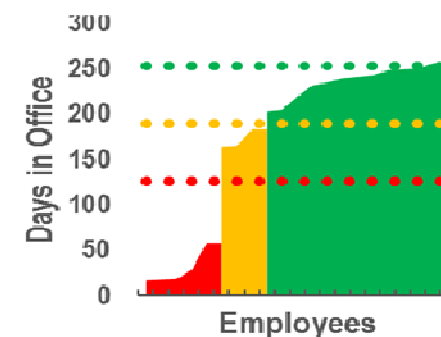
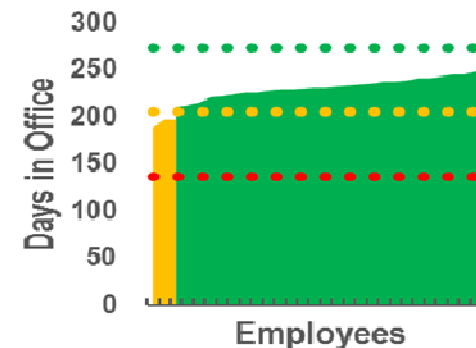


- At workspace
- Collaborate (int.)
- Collaborate (ext.)
- Formal Mtngs
- Out of Building

- At workspace
- Collaborate (int.)
- Collaborate (ext.)
- Formal Mtngs
- Out of Building

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- Collaborate (int.)
- Collaborate (ext.)
- Formal Mtngs
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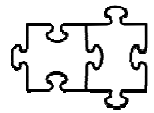
### Frequency of Use – High to Low





# Incentives - Differentiate Between Short Listed Candidates

## Process



Select most effective local / state partners



Establish confidentiality



Strategic in person meetings

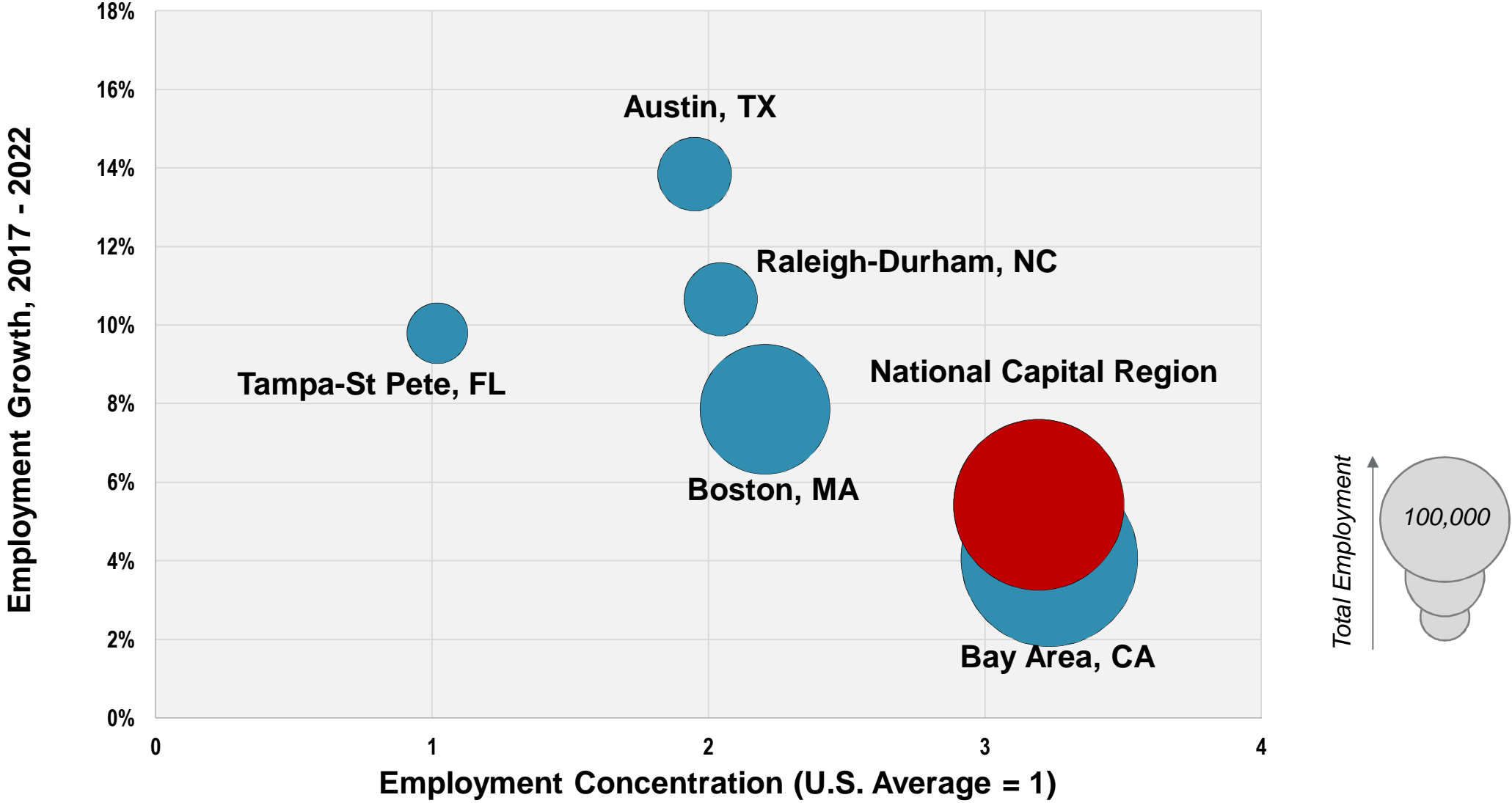


Develop Win-Win

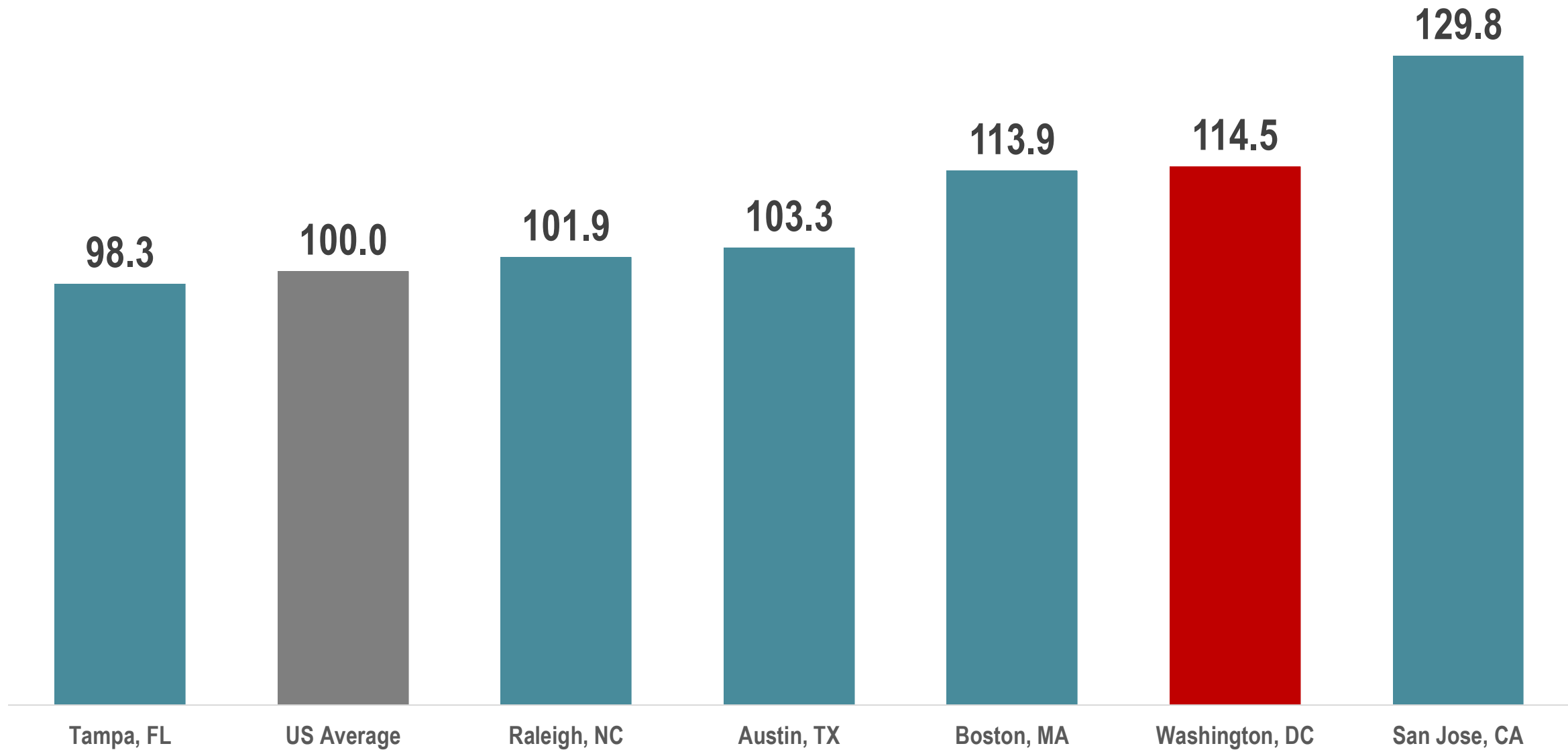


# Technology Talent in the National Capital Region

Employment in Software Publishing, Computer Systems Design, Data Processing & Hosting



# Technology Wage Index



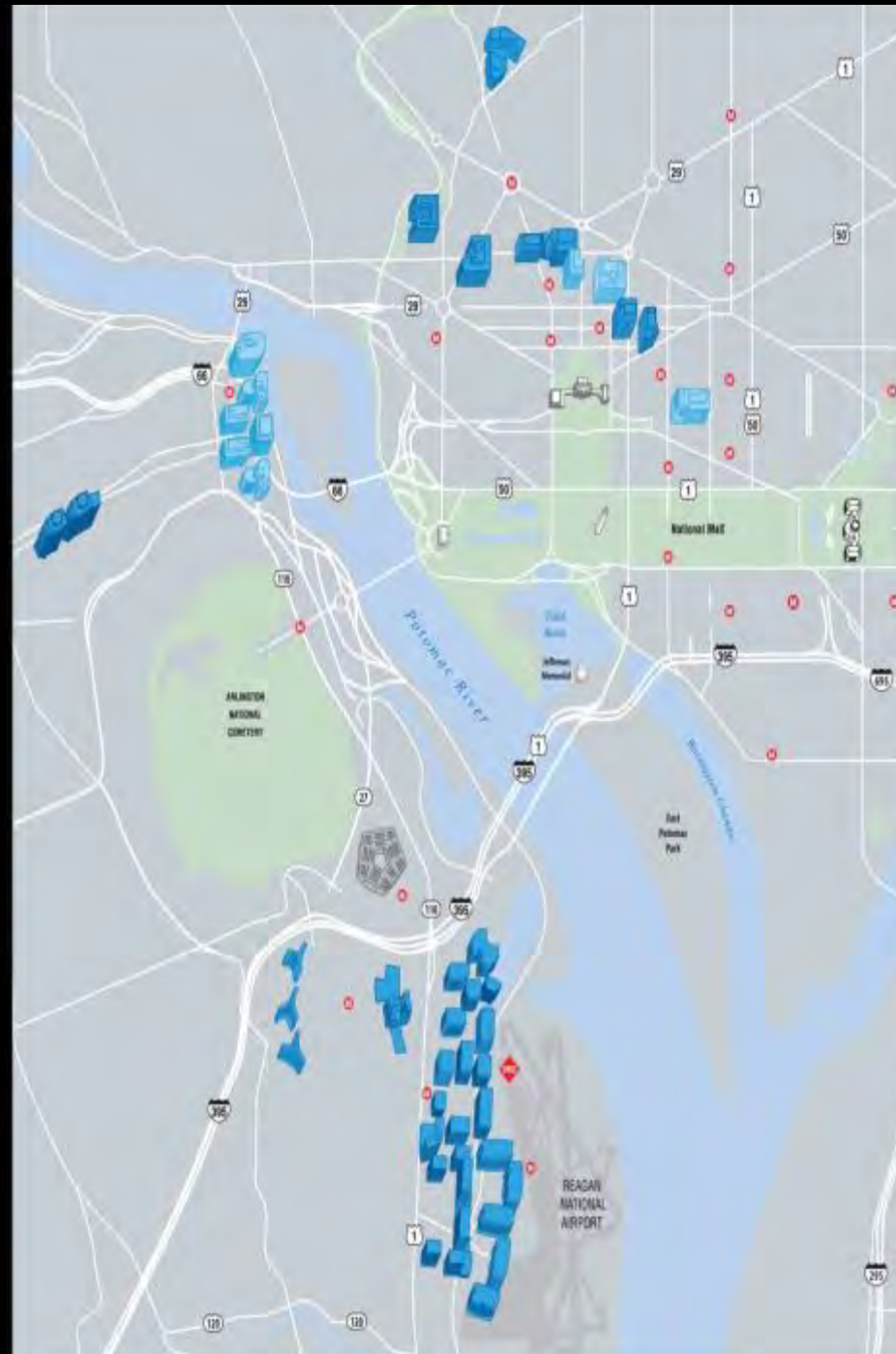
# Mitch Bonanno

Senior Vice President  
Director of Development

**VORNADO**  
CHARLES E. SMITH

# Irreplaceable Portfolio

Concentrated in high-barrier urban submarkets on the shores of the Potomac



# Residential Portfolio

- 3,300 Units in Georgetown, Crystal City, and Pentagon City today
- Significant Growth Opportunity on Land We Own



220 20th Street  
Crystal Cty



WeLive/WeWork  
Crystal Cty



WestEnd25  
Georgetown



RiverHouse  
Pentagon City



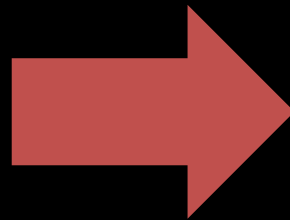
The Bartlett  
Pentagon City



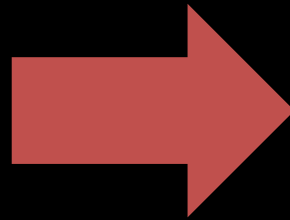
**BEYOND**

**REAL**

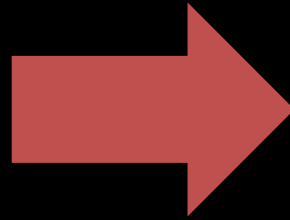
**ESTATE**



**People**



**Places**



**Partnerships**

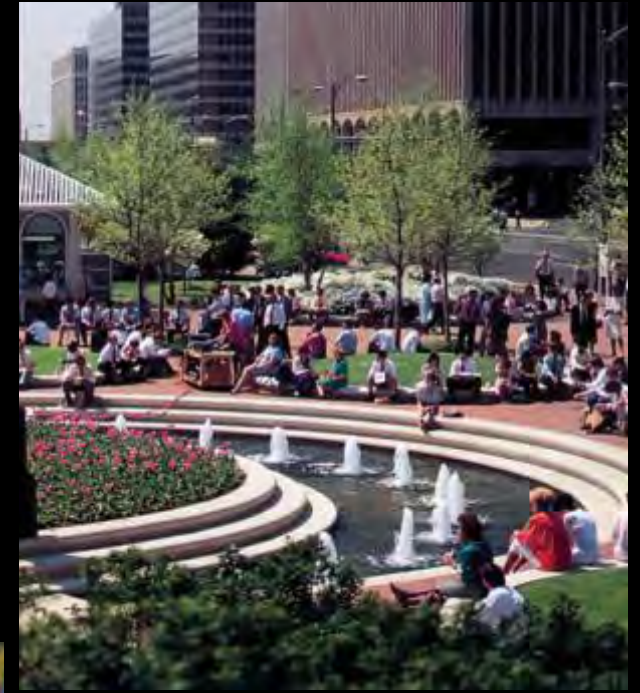
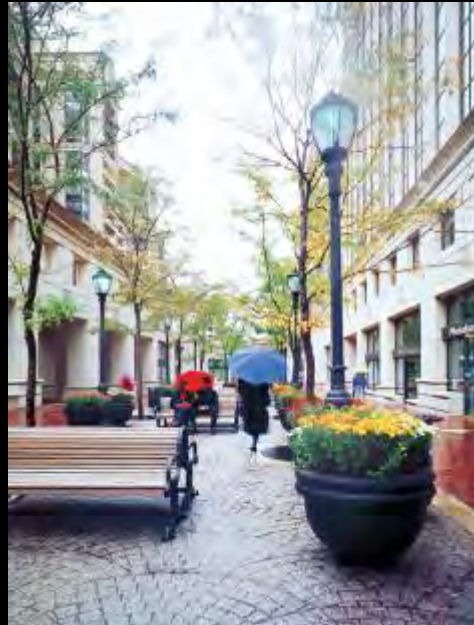
# People

## Experienced Team of Almost 500

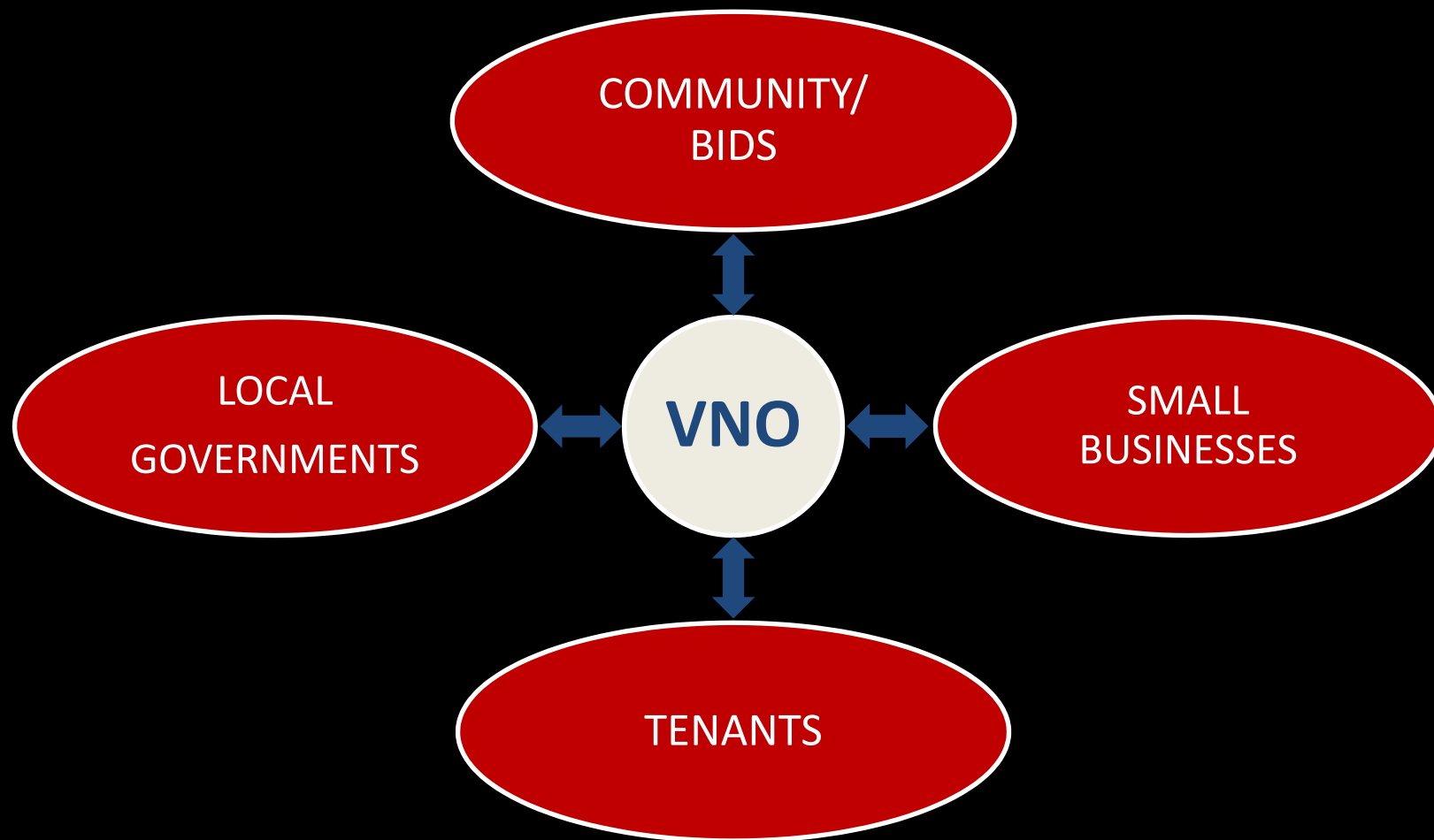
- Leasing
- Property Management
- Engineering
- Development
- Construction Management



# Places



# Partnership at All Levels



# Builders of Community



NVCT CREATES NEW  
ARLINGTON PARKLAND



# Crystal City: Evolution & Transformation









# Best Transportation in Metro Area

- Metro
- VRE
- DCA
- Commuter Bus
- Bikes and Trails



# Mix of Uses

Over 50 Buildings with Approximately:

- 11M SF of Office
- 12 Hotels
- 6,000 Residential Units
- 1M SF Retail & Restaurants

Parks & Plazas

Activities & Events



# PTO Space Releasing

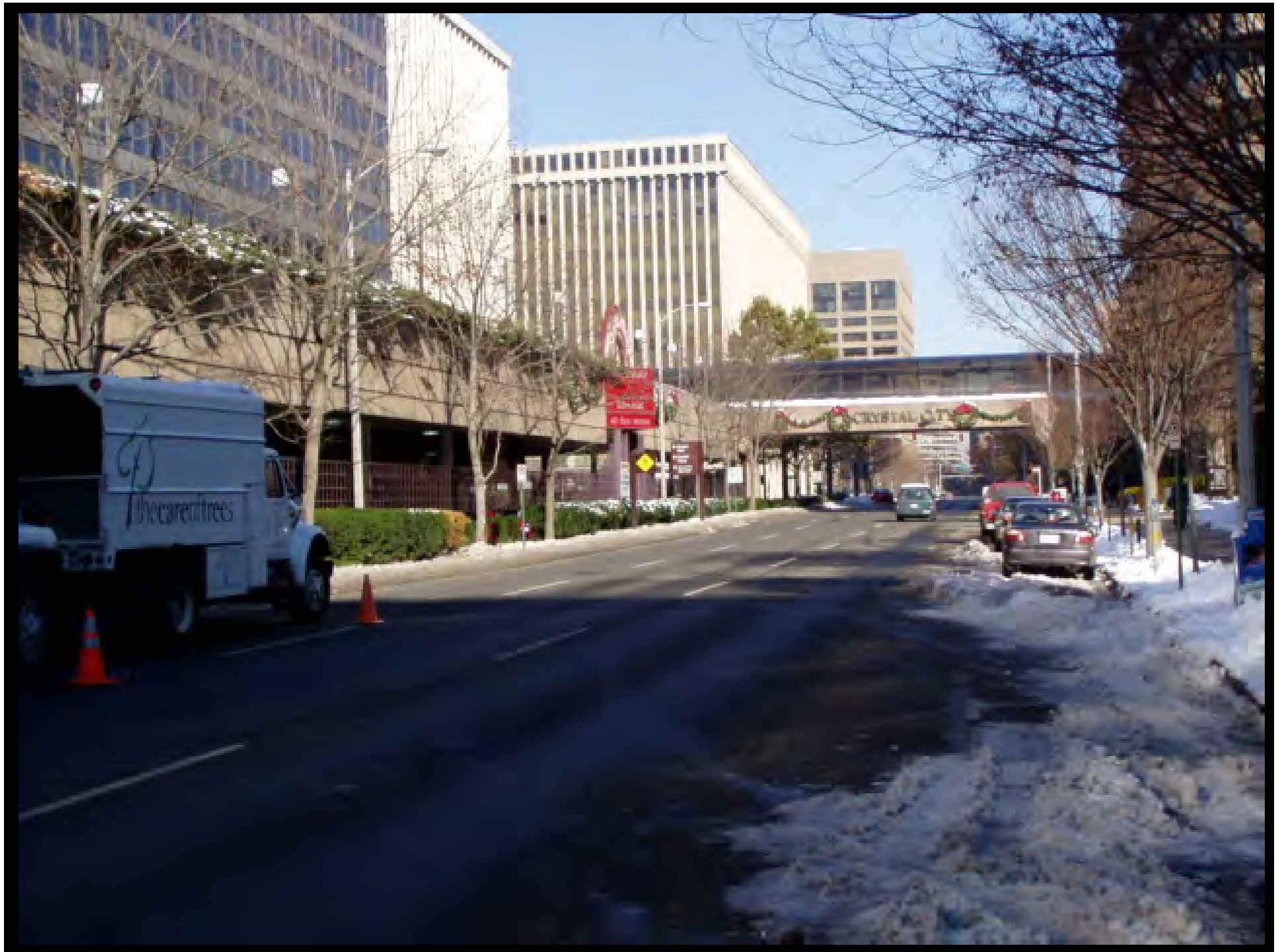
- About 2M SF in Crystal City Vacated 2001-2004
- 14 Buildings, Primary Tenant in 7
- Released / Repositioned Over 4 Years
- Painful, But Overall Positive for Crystal City
  - Strong office market, little contractor drafting, and limited local emerging market competition at the time

# Before “Street” Retail



# Crystal Drive — Retail Main Street









The Washington Post  
 Home Edition  
 Monday, October 6, 2003
 

**HOME EDITION**  
 Washington Post  
 Monday, October 6, 2003

## PBS Selects Crystal City Location for Headquarters

By GARY B. ROBERTS  
 Washington Post Staff Writer  
 Monday, October 6, 2003; Page B01

The Public Broadcasting Service yesterday announced that it has selected to move its headquarters from Alexandria to Crystal City, where Charles E. Smith Commercial Realty has renovated offices and real-estate office to make the area more pedestrian-friendly and attract non-governmental tenants.

The public broadcaster moved last week the past two years looking for a new home at the District of Columbia. Virginia located to base its offices in Alexandria again in two years said its broker, David G. Hovick, a former vice president and senior corporate strategist.

PBS, which has 349 member television stations, is expected to move its 2,000 employees, 200,000 square feet at 2100 Crystal Dr. Hovick said the deal was made after a long process of review and site visits.

Smith said the government agency has been looking out of several buildings, looking nearly 1.9 million square feet that it knew in Crystal City. It was a prime location for new headquarters, Alexandria.

The 100,000-square-foot office market in Crystal City has been a magnet for high-tech, agencies, contractors and related companies. The Arlington-based Charles E. Smith Commercial Realty's recent decision in the 1990s has made it business booming.

The development also has led to more companies like Crystal City. It had to add another 500,000 square feet and renovated Smith's Charles E. Smith spent \$40 million to build a new office space, which includes a new office and hotel space. The new office space will be a mix of office, including Smith's space and other tenants.

Crystal City has recently received government contracts, said Mary M. Almeida, a former vice president who specializes in business programs at the state's Capital Center. She said PBS is still "a long way from here."

Brokers at Charles E. Smith have been looking for a replacement for the space the agency office is leaving, according to Michael N. Scherer, president of the company, which is a division of Kennedy Real Estate Trust of New York.

One of the largest tenants moving to the Lockheed Martin Corp., which has 12,000 square feet and the General Services Administration's Federal Supply Service, provider of some major federal supplies, was to be government, which is using 250,000 square feet.

Some of the PBS lease was on a long-term lease for the building, which were private. Brokers who had made Smith's looking at the space were still and asking prices ranged from the high \$20 to the low \$20 per square foot.



# Adaptive Reuse Redevelopment

**19 Stories; 270,000 SF; 265 units  
Luxury Rental Apartment Building**

**13 Story — 200,000 SF  
Office Building**



**Added 6 Floors**



**220 20<sup>th</sup> Street**

# Dynamic Corporate Neighborhood

**VORNADO**  
CHARLES E. SMITH



**Bloomberg  
BNA**

Booz | Allen | Hamilton



Smithsonian  
Institute



**Raytheon**



**Canon**



**GENERAL DYNAMICS**



# Crystal City — Innovative Community



Transforming Crystal City:  
Attracting New Demographic

**1776**  
WHERE REVOLUTIONS BEGIN  
\*\*\*

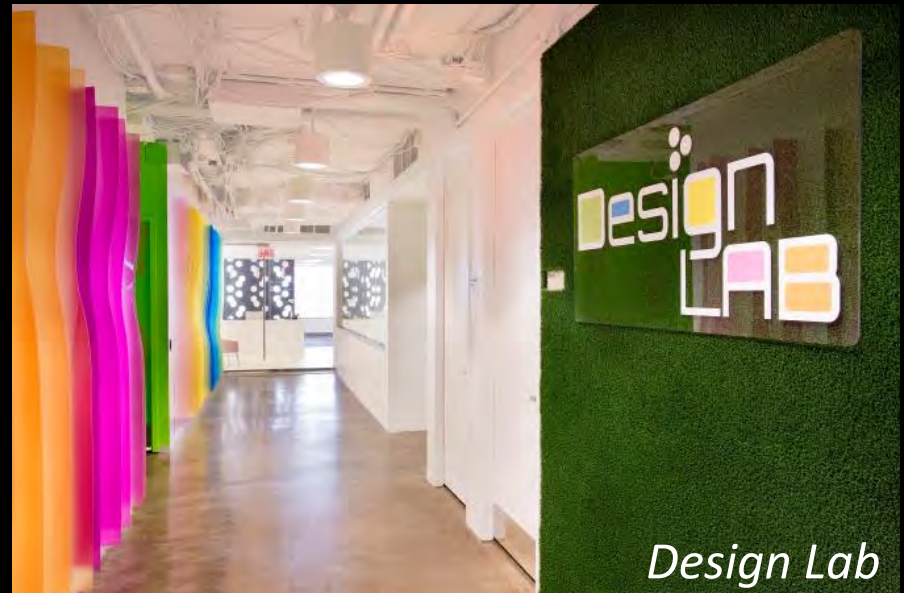
**wework**

**EASTERNFOUNDRY**

**TechShop**  
BUILD YOUR DREAMS HERE

**HIGHLINE** R X R

**Design LAB**  
CRYSTAL CITY



**Street & Open Space  
Activation**

Retail/Events/Programming

**“Virtual”  
Community**



**People**

A Growing Infusion of People  
and Creative Companies

— **PLACE** —

**Development**

Office/Residential/Retail/  
Hotel/Cultural

**Connections**

Pentagon City/National Airport/DC Region

# 1999K

A LIMITED EDITION BY HELMUT JAHN



# 1999K

- 150,000 SF – “C” Building
- K Street Corner Transformed into a 250,000 SF Trophy Development
- First Helmut Jahn Building in Washington



# “Deal of the Year”

- Single tenant, Mayer Brown law firm occupies the entire building
- Sold to Deka, German Investment Fund
  - \$830 per square foot
  - \$207.8 million

1.4 | BEST REAL ESTATE DEALS OF 2008 | WASHINGTON BUSINESS JOURNAL | APRIL 22, 2009

## Deal of the Year

1999 K St. NW



From beginning to end, 1999 K St. NW represented textbook development

**By James Flink**

More than a few eyes opened last September when German investment interests bought the 1999 K St. NW building.

South tore down the older office building at 20th and K streets, hired world-class architect Helmut Jahn to design a building and lobby enclosed in illuminated glass and began construction without pre-lease commitments, only to





# THE BARTLETT





# The Bartlett

- 82% Leased TO DATE
- 76% Occupied
- Pre-leasing starting February 2016 & First Units Delivered June 2016
- Highest price per square foot (not aggregate) in our competitive set
- AVERAGE 44 LEASES/MONTH



# The Bartlett





1700M

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Brilliant by Design

# 1700M

- 335,000 SF LEED Gold new trophy office building
- Four sides of glass
- Double-height tenant lobbies





# Preliminary



# Preliminary

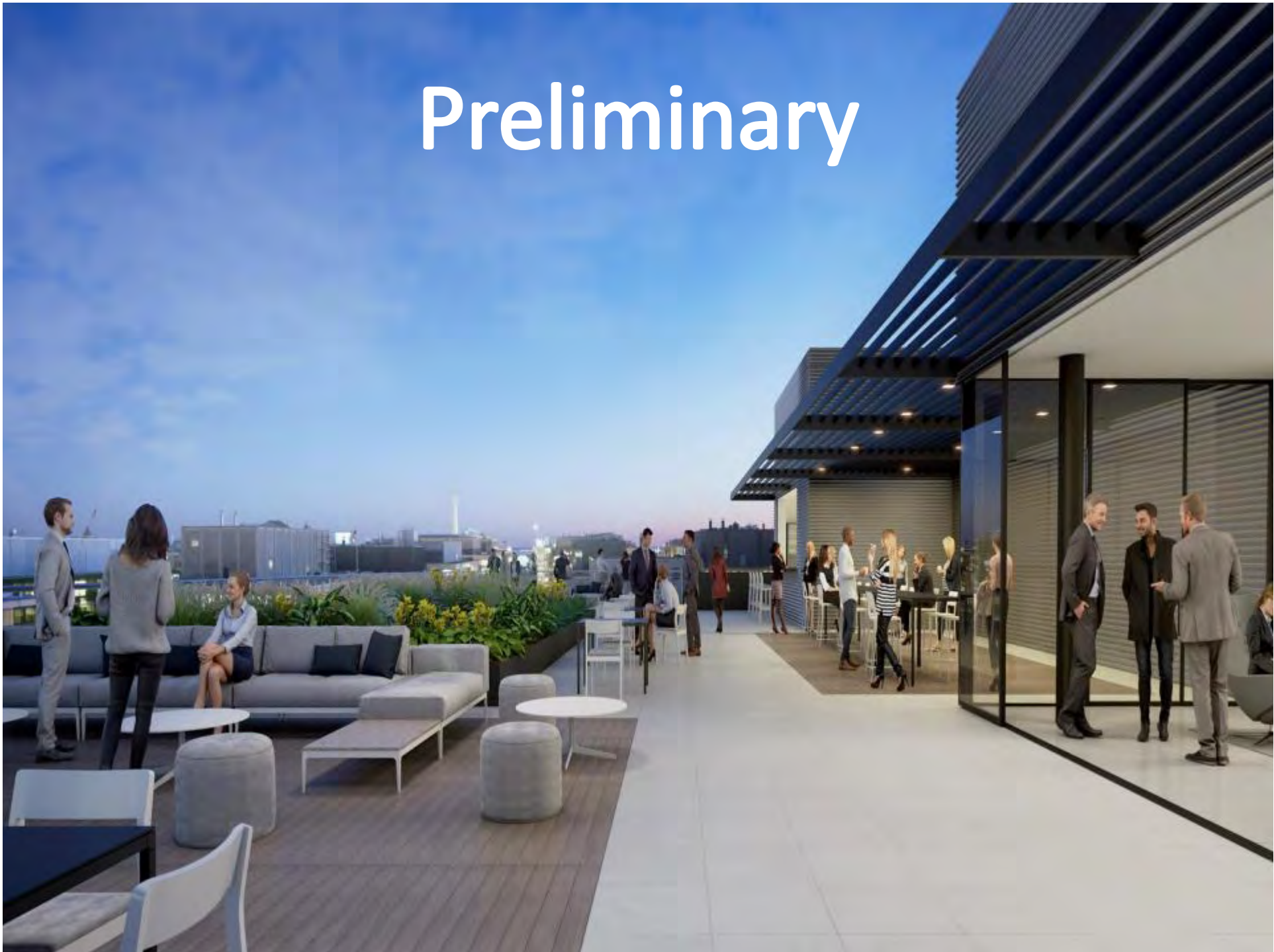




# Preliminary



# Preliminary



My question for Q/A – how does local jurisdiction and national locality economic development efforts impact this discussion?

# Mitch Bonanno

Senior Vice President, Director of Development

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**VORNADO**  
CHARLES E. SMITH