

ARCLAND PROPERTY COMPANY, LLC
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WASHINGTON, DC 20027
202-243-7523

November 28, 2016

Mr. Mark Schwartz, County Manager
Arlington County
2100 Clarendon Blvd, Suite 302
Arlington, VA 22201

RE: Proposed Property Trade

Dear Manager Schwartz,

I believe Arlington County has a unique opportunity to work with Arcland to trade significant properties that will enable the county to meet critical facility demands and enhance long-range planning opportunities, while allowing our company to establish a needed, low-impact business in north Arlington that adds significant tax base.

Below are proposed terms to trade the fee simple interests in approximately 2.3 acres of the north Quincy Street property at I-66 that the County has under option in exchange for approximately 3.5 acres our company owns or controls in Shirlington. Arcland would develop a first-class self storage facility that provides state-of-the-art security and amenities and will be designed to be extremely sensitive to the surrounding neighborhood. In exchange, the county would receive title to the property it currently leases from our companies in Shirlington, as well as 1-acre adjacent to this land. Additionally, we propose to lease-back for county parking or other storage needs, about 1.1 acres of the Quincy property to the county at a below market rate. In effect, the county can secure 4.6 acres for long-term county needs by trading half as much land.

Arcland Properties: 3.53 acres zoned M1 at 2629 and 2633 S. Shirlington Road; RPC 31-034-044, 31-034-042, 31-034-045

County Property: 2.3 acres zoned CM and M1 at 1423 N. Quincy Street plus adjacent property to the west and/or south to assist with meeting design standards

Proposed Quincy Development: Arcland would develop a first-class self storage property with state-of-the-art security and amenities upon obtaining all county approvals. The development would be 6 stories plus a cellar totaling approximately 150,000 SF consisting of high-quality architecture keeping with the surrounding community.

Trade structure: "Even trade" for fee simple interests, no cash consideration

**County-Retained
Quincy Property:**

County to lease-back approximately 1.1 of the 2.3 acres traded to Arcland on Quincy for a to-be-determined use compatible with the self storage use. The initial lease term shall be 15 years and the county shall have three 5-year renewal options. The lease payment for the initial term shall equal the real estate taxes allocated to the 1.1 leased acres – well below market rates. Subsequent renewals would be at market rates as determined by appraisal.

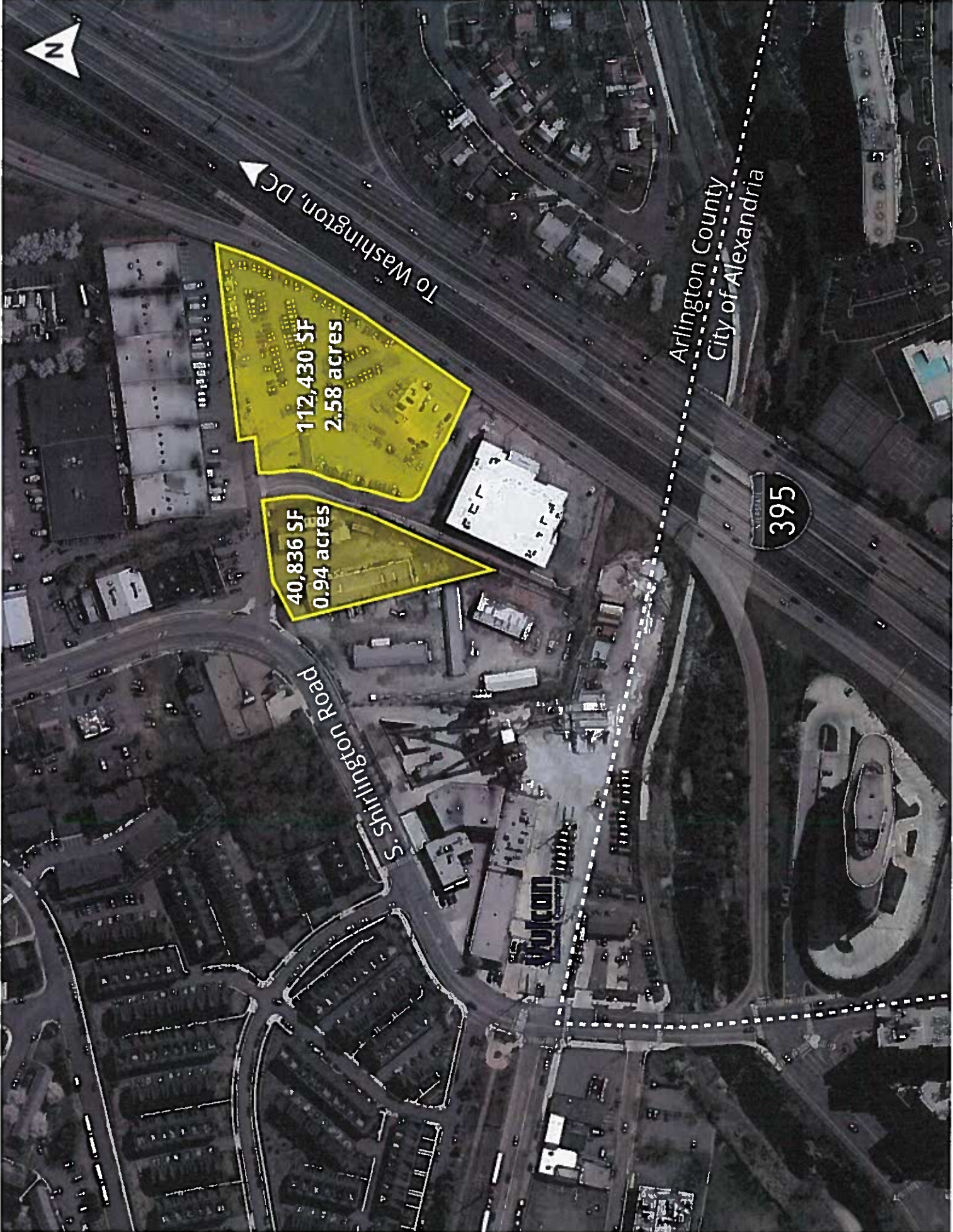
We are excited about the unique opportunity to bring a first-class self storage project to north Arlington. From the county's standpoint, it is likely a once-in-a-generation opportunity to trade 2.3 acres in exchange for the long-term use or ownership of 4.6 acres of extremely rare industrially-zoned property to meet the county's goal of providing top notch services and facilities, and to enhance long-range planning opportunities in Shirlington's Four Mile Run Valley.

Thank you for your consideration of this unique opportunity. We look forward to hearing your feedback and next steps.

Sincerely,
ARCLAND PROPERTY COMPANY, LLC



Noah Mehrkam
Managing Member



To Washington, DC

112,430 SF
2.58 acres

40,836 SF
0.94 acres

S. Shirlington Road

Arlington County
City of Alexandria

395

County N. Quincy Street Exchange Property

