

REQUEST FOR QUALIFICATIONS
DUE AUGUST 7, 2014

STATE OF FLORIDA
DEPARTMENT OF
ECONOMIC DEVELOPMENT
& COMMERCE



ROOSEVELT
ROADS

Puerto Rico
THE ALL-STAR ISLAND

CLICK FOR MORE INFORMATION

Advertisement

URBANLAND

THE MAGAZINE OF THE URBAN LAND INSTITUTE

SECTIONS

MORE ULI SITES

[Urban Land](#) > [Development](#) > Case Study: Masonvale at Virginia's George Mason University

Case Study: Masonvale at Virginia's George Mason University

By [Deborah L. Myerson](#)

July 14, 2014

Text Size: **A A A**





Employers in regions with expensive housing can face challenges in attracting new employees, especially those moving from lower-cost areas. A successful solution to address this obstacle can be found in suburban Washington, D.C., at Masonvale, an employer-assisted housing development of 157 rental units on the eastern edge of the George Mason University (GMU) campus in Fairfax County, Virginia.

The university pursued the development of Masonvale to support the recruitment of new faculty. Produced in a joint venture that involved a ground lease from the university and development under an affiliated nonprofit organization, Masonvale provides conveniently located, high-quality housing at below-market rents. Rental of the units is restricted to faculty, staff, and full-time graduate students at George Mason, with a priority placed on new faculty. Employees of the City of Fairfax and Fairfax County, however, are also eligible. First discussed in the late 1990s, preliminary planning was initiated in summer 2004, a ground lease was signed in fall 2007, and construction commenced a year later. The project was completed in spring 2010.

Masonvale is located on a previously undeveloped infill site within the campus master plan that connects to both the

campus and adjacent neighborhoods. The property is defined by two protected riparian valleys that create a natural backdrop for the multifamily residences. As most of the residents are affiliated with the university, the site's proximity to campus is one of the project's greatest amenities.

When the university's leadership first discussed the prospect of a housing program to address the need for faculty and staff housing in this expensive market, they considered the possibility of producing for-sale housing.

However, to spread the benefits of the project to the widest audience, Mason opted to develop a rental housing project with a three-year maximum tenancy.

In 2005, GMU sought partners who could bring private sector expertise to the effort. Mason hired a team headed by the firms Studley and Brailsford & Dunlavey (B&D), which became the project's development managers.

The team recommended the establishment of Mason Housing Inc. (MHI), a special-purpose nonprofit 501(c)3 that would allow the public university to keep the development off its balance sheet, only minimally affect its credit, and support access to tax-exempt financing.

In addition to Studley/B&D and MHI, lead partners in the development team included JFW Consulting, a firm that works closely with universities on real estate project management; architecture firm Torti Gallas and Partners, which has expertise in place making and community design; Bowman Consulting, for civil engineering support; and Clark Builders Group, a design-build firm.

As a state institution, GMU is not subject to local zoning requirements. Rather, since the project was to be developed on university property, the design had to be vetted through the commonwealth of Virginia's review process. However, some coordination with the local governments was needed for emergency planning. Though not required, the development team and its university partners also engaged in an outreach effort that included regular public meetings with the local stakeholders.

MHI was able to finance the project with \$39.8 million of privately placed variable-rate tax-exempt bonds issued in 2008 by the Fairfax County Economic Development Authority. The project does not rely on any ongoing monetary subsidies other than the favorable \$1 annual payment for the long-term ground lease and, in fact, provides an annual return to the university through an annual pass-through of participation rent.

Masonvale includes 37 buildings that contain 157 units (one was converted to serve as the leasing office) ranging from one- and two-bedroom flats, two- and three-bedroom townhouses, and duplexes, all on 27 acres (11 ha). The project has a net density of ten units per acre, with 11.3 acres (4.6 ha) of the property set aside as a resource protection area.

Rather than simply building a multifamily property, the developers of Masonvale sought to build a neighborhood of multifamily housing that integrates seamlessly with the university. A primary design challenge was to craft new neighborhoods that blend together the university and the adjacent community, the City of Fairfax. Buildings closer to the university have a more formal colonial style, while across the stream there is a more craftsman-style feel. Torti Gallas carefully balanced the density on the site to blend in with that of the surrounding neighborhoods. A variety of outdoor public spaces were provided to help promote community interaction, including a village green, rain gardens, and tot lots.

As the property owner, MHI has a board of directors composed of seven representatives who oversee operations. Three board members are university-affiliated and appointed by GMU's president, and four independent members are voted in by existing members. The board responsibilities include setting the lease rates annually. MHI is obligated to set rent levels that balance affordability with a return to the university, which typically results in rents that are 90 percent to 95 percent of the local market rents. In 2013, rents ranged from \$1,424 for one-bedroom apartments to \$2,297 for three-bedroom units.

Masonvale's location provides significant quality-of-life and market advantages to other properties in the area, as it allows GMU employees to walk to the Fairfax campus in a region known for its traffic congestion, letting them save on parking and commuting costs. The regular supply of high-quality housing units offers a valuable transitional opportunity for new

arrivals by providing a conveniently located lower-cost housing option for up to three years while the employees settle in and look for more permanent housing.

Ultimately, Masonvale has helped the university achieve a long-held goal: the creation of a valuable recruitment tool to attract new faculty.

For more information on Masonvale, including videos, photos, site plans, and financial information, visit ULI Case Studies at www.uli.org/casestudies.

Deborah L. Myerson is an urban planner and independent consultant based in Bloomington, Indiana.

Project Information

DEVELOPMENT TIMELINE

Preliminary planning	Summer 2004
Planning started	Fall 2007
Ground lease	Fall 2007
Construction started	Fall 2008
Leasing started	Spring 2009
Project completed	Spring 2010

LAND USE PLAN

Use	Area (acres)	Percentage of site
Buildings	2.3	9%
Streets/surface parking	3.3	13%
Landscaping/open space	19.7	78%
Total	25.3	100%

GROSS BUILDING AREA

Use	Building area (sq. ft.)
Residential	185,899
Parking (detached garages + attached garages)	23,490
Total GBA	209,389

RESIDENTIAL INFORMATION

Unit type	Number of units	Unit size (sq. ft.)	Typical rent (2013)	Percentage leased (2013)
-----------	-----------------	---------------------	---------------------	--------------------------

Patriot A: 1-bedroom, 1-bathroom	21	617	\$1,424	100%
Patriot B: 1-bedroom, 1-bathroom	19	681	\$1,456	100%
Gunston A: 2-bedroom, 1-bathroom	10	892	\$1,735	90%
Gunston A: 2-bedroom, 1-bathroom, garage	1	892	\$1,815	100%
Gunston B: 2-bedroom 1.5- bathroom	23	987	\$1,836	96%
Gunston B: 2-bedroom, 1.5- bathroom, garage	2	987	\$1,916	100%
Fairfax: 2-bedroom, 2-bathroom, garage	24	1,038	\$1,959	96%
Potomac: 3-bedroom, 2.5-bathroom	24	1,469	\$2,142	100%
Potomac: 3-bedroom, 2.5- bathroom, garage	16	1,469	\$2,297	100%
Belmont: 3-bedroom, 2.5-bathroom, garage	17	1,329	\$2,256	100%
Total	157			

DEVELOPMENT COST INFORMATION

Site acquisition cost	\$0
Hard costs	\$22,740,246
Soft costs	
Architecture/engineering	\$1,048,915
Project management	\$2,598,848
Marketing	\$348,786
Legal/accounting	\$578,342
Taxes/insurance	\$331,769
Financing-related	\$7,104,696

Miscellaneous	\$2,511,111
Project contingency	\$2,497,287
Total	\$17,019,754

Total development costs **\$39,760,000**

FINANCING SOURCE

Tax-exempt bonds \$39,800,000

Leave a Reply

Name*

Email*

Website

Comment

POST COMMENT