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ST. JOHN PROPERTIES RECEIVES FINAL REZONING APPROVAL FROM RETAIL TO COMMERCIAL USE AT ARCOLA CENTER

*Commercial real estate company has begun construction on first four
R&D/office/flex buildings comprising more than 130,000 square feet of space*

ASHBURN, VA (January 5, 2022) – **The Loudoun County Board of Supervisors** has granted final approval to **St. John Properties, Inc.** for a zoning change of its **Arcola Center project**, a 34-acre business community located at the intersection of Loudoun County Parkway and Dulles West Boulevard in Dulles, Virginia. The commercial real estate company acquired the property in Summer 2020 and subsequently sought to change the zoning from PD-CC-RC (Regional Retail Center) to PD-IP (Planned Development – Industrial Park) to reflect existing and expected market demand. St. John Properties now expects to develop between 340,000 and 450,000 square feet of R&D/office/flex buildings at the site. Prior to approval by the Board of Supervisors, the project received unanimous approval from the Loudoun County Planning Commission.

Phase I of the development strategy entails the speculative construction of four office/flex/R&D buildings comprising of approximately 130,000 square feet, with the final concept consisting of up to 10 single-story and two-story buildings. Site construction is already underway including grading activities and the installation of utility and road infrastructure. Building construction will start in early Spring 2022 and delivery of the first four office/flex/R&D buildings is anticipated in Fall/Winter 2022. Each will range from 22,240 to 45,120 square feet of space and feature free parking and flexible interior floor sizes to support the real estate needs of professional services, tech firms, light manufacturing, retail-type and community uses, logistics companies, and a variety of other end-users.

The single-story buildings will be constructed with 16-18' clear minimum ceiling heights. In addition, the buildings have been designed to earn LEED® certification from the U.S. Green Building Council (USGBC). Buildings receive this designation based on the use of sustainable and locally-sourced building materials and the implementation of construction practices designed to conserve energy and resources while creating an eco-friendly environment. This includes roofs that reduce the heat-island effect and the use of native plant species.

In its statement of application filed for the rezoning filed by Cooley LLP, the law firm explained that “because retail demand is driven by the density of proximate roof tops and a robust daytime population, there is a limit to the retail demand necessary to support both the existing and planned retail uses in this area of the county.” It further stated that in place of pure retail, “St. John Properties will create a high-quality employment center with a daytime population to bolster existing and planned retail developments in its vicinity.”

“Flex commercial real estate has always been a strategic strength for Loudoun County and I’m thrilled that St. John’s Properties is helping deliver homes for businesses to meet the demand we are seeing. Matt Holbrook and his team are great community partners, and have built a well-deserved reputation as a quality developer in Loudoun” stated Buddy Rizer, Executive Director of the Loudoun County Department of Economic Development.

“This has been a long time coming. We first looked at this property more than seven years ago with an eye to bring a new business community to this section of Loudoun County. We are grateful for everyone’s help in the rezoning effort and we are confident in the demand for our high-quality commercial space,” stated Matt Holbrook, Regional Partner for St. John Properties. “With the struggles of retail development over the past decade, from the rise of ecommerce to the fallout of bricks and mortar retail from the pandemic, the highest and best use for this property isn’t pure retail, but rather a business park with a mix of uses. This business park will be a long-term job generator and a home to businesses both small and large. It will add to and diversify the tax base of Loudoun, while contributing significantly to the economic health of the region. And more locally, this project will bring amenities, services and new vitality to the area.”

Elsewhere in Loudoun County, St. John Properties recently broke ground on three office/flex/R&D buildings comprising of more than 135,000 square feet at Ashburn Crossing, a 61-acre mixed-use business community in Ashburn. The company’s Northern Virginia portfolio includes several other business parks such as **Ashburn Technology Park, Loudoun Tech Center, Leesburg Tech Park, and Gainesville Tech Park**. Since delivering its first buildings in Northern Virginia in 2001, the company has developed and owns more than one million square feet of commercial office and retail space with an additional 940,000 square feet in their development pipeline in Loudoun and Prince William Counties.

Arcola Center is located adjacent to the Dulles Landing retail development and the future Shops at Arcola Center and is within close proximity to South Riding Market Square, Avonlea Town Center and Brambleton Town Center. Several planned retail projects in the area have stalled in recent years and last year at The Shops at Arcola Center, Wegmans Food Markets backed out of its plan to open a new grocery store within The Shops at Arcola Center providing further proof of the lack of demand for pure retail space in this submarket.

Arcola Center is approximately five miles from the Dulles Toll Road (VA Route 267) and Dulles International Airport, 11 miles from Leesburg, 16 miles from Tysons Corner and 30 miles from downtown Washington, D.C.

Founded in 1971, St. John Properties, Inc. is one of the Mid-Atlantic’s largest privately held commercial real estate firms. The company is distinguished by its commitment to customer service, achievements in green building, and top-rated workplace culture. Throughout St. John Properties’ 51-year history, the company has developed more than 22 million square feet of flex/R&D, Office, Retail and Warehouse space serving more than

2,500 clients in Maryland, Colorado, Louisiana, Nevada, Pennsylvania, Virginia, Utah, and Wisconsin. For more information about the company, visit www.sjpi.com.