



April 7th, 2022

EVALUATION AND REPORT ON THE DEVELOPMENT GROUPS INTERESTED IN THE SPOTSWOOD SITE

As has been previously noted on several occasions, City staff committed to review and evaluate the credential and experience of the two development groups interested in developing the Spotswood site, owned by the City. The two groups that had indicated their interest in the site had received a draft of the criteria to respond to and that would be the basis for this review and evaluation on Friday, March 18th. The final criteria to respond to was simplified and sent out on Tuesday, March 29, with a due date of Sunday, April 3 at 6:00 p.m.

Echelon Resources provided their response on Wednesday, March 30. The Spotswood Collaborative provided their response, which was beyond the due date, on Monday, April 4. The responses from each development group are attached.

As you will note, the Spotswood Collaborative provided less than 2 pages of response to the 6 criteria upon which their worthiness to be considered as a potential developer/partner was to be based upon. They then followed this with nearly 10 pages of resumes and general backgrounds on the several members of the Collaborative and provided no references. Echelon Resources provided a 7 page, comprehensive submittal, which included references and contact information.

These two submissions were reviewed, evaluated and scored by City Planning Director Arne Glaeser, City Public Works Director Jeff Martone and myself. The two submittals were reviewed and evaluated based on direct responses to the criteria indicated, the helpfulness of the information provided in the responses, the comprehensive nature of the information provided and the degree to which the information provided demonstrated a history of successful development, of the nature sought by the City.

Both submittals were evaluated and scored on a 1 through 5 point system, with 1 being the lowest and 5 the highest. The final scoring indicated that Echelon

Resources had provided the submittal that more completely demonstrated their successful past performance and ability to provide the results sought by the City.

To supplement this review, a number of the references provided were contacted and the responses, as received are noted below.

REVIEW OF REFERENCES:

The following conversations occurred with the individuals chosen by Mr. Edwin Gaskin as references. Mr. Gaskin provided references in 2 categories; communities where projects were located and financial institutions that had financed projects completed by Echelon Resources.

Mr. Tom Raab, South Boston Town Manager

You cannot go wrong working with Edwin Gaskin. He did everything he said he would.

They worked well together and Echelon Resources took a facility that was a detriment to the community and made it an asset.

The Town worked on the financing with him and they were 100% happy with the outcome and the manner in which they collaboratively worked together.

The neighborhood where the development occurred was not one of their better neighborhoods. Now Imperial Lofts is the place to live in South Boston. Rents are \$1,400 per month for a 2 bedroom apartment.

Imperial Lofts contains 71 market rate apartments, an 11,000 sf R&D center and 150 storage rentals in the basement.

Mr. Chris Hively, Culpeper Town Manager

Took a white elephant and saved the Town over a \$1 million in possible demolition costs.

Extremely knowledgeable about tax credits and alternative financing.

The town and Mr. Gaskin worked successfully to relocate infrastructure, construct new infrastructure and also to permit Town access to the site for a trail connection.

There have been no maintenance or management issues and Echelon is looking for other sites to develop in the community.

The exterior of the site is well maintained.

The apartments were 100% rented before he opened & they are rented as soon as there is a vacancy.

Mr. Kevin Hughes, City of Suffolk, Deputy City Manager

At the end of the day, you will feel good standing next to him.

Tough site, vacant for 30 years, an area in transition, 11 acres, multiple buildings and parcels, 3 active train lines through the site.

The City made changes to their master plan, conducted rezonings and processed conditional use permits, as requested by Edwin Gaskin, to fully utilize the site.

Echelon was successful receiving and fully utilizing Historic Tax Credits and that is also a sign of accomplishment.

Echelon split off part of the parcel for low income housing, with City Council's blessing.

Mr. Gaskin is creative, very good with the public & direct.

He will ask for incentives & sometimes his crews got out in front of inspections & subsequently they butted heads. However, Echelon crews made the adjustments that were necessary to complete inspections.

Echelon will perform all day long and turn lemons into lemon-aid.

Mr. Bill Greenleaf, Virginia Community Capital

He has known Mr. Gaskin professionally and transacted business in that role for over 5 years.

He is a man of integrity and they would be very happy to continue their business relationship.

If they were to be called on by Mr. Gaskin, they would be happy to finance a project in Lexington.

Mr. Brian Noel, Virginia Credit Union

Edwin is a great guy, I always enjoy working with him.

From a lender standpoint Echelon is an ideal borrower. We never have to request or track down information from Edwin, he is thorough and anticipates what is needed.

He (B. Noel) manages a \$300m real estate loan portfolio and Echelon is by far the best at providing thorough and conservative financial information.

His (E. Gaskin) record speaks for itself. With his economic development background and good finance sense, including underwriting assumptions, providing financing is an easy proposition.

He (E. Gaskin) has worked with large national banks, successfully procuring complex tax credit financing.

They (VACU) financed the Suffolk project, and they are financing a project in Warrenton and would be very interested in working to finance a project in Lexington.

They just refinanced a W&L property (with John Adamson) and are very bullish on Lexington.

Mr. Mike Burke, Towne Bank

Towne Bank has a good relationship with Echelon and Edwin Gaskin. He does good work and his projects have been successful.

He does not come back and ask for more financing or a change in the terms.

He is professional, knowledgeable and works effectively to accomplish his business in a timely manner and is respectful of other people's time and business concerns.

They would be glad to do more business with Echelon in the future.

NO REFERENCES WERE PROVIDED BY THE SPOTSWOOD COLLABORATIVE

RECOMMENDATION: While both development groups have previously provided a vision or concept for development of the Spotswood site, only one group has the demonstrated results that indicate success across a broad range of multi-family apartment communities. While an excellent local representation of the talent and energy of our local design and development professionals, the Spotswood Collaborative does not have this level of experience and success in this development sector. Therefore, it is my recommendation that City Council select Echelon Resources as the group with which to negotiate a development agreement.