



MACHINE TRANSCRIPT • CORAGGIO CONSULTING

Fairfax County Council for Economic Opportunity, Tuesday, June 16, 2026

Date Tuesday, June 16, 2026
Place Fairfax County Board of Supervisors, Virginia
Length 1h 32m (video)

- Official meeting video (Fairfax County): <https://video.fairfaxcounty.gov/player/clip/4187>
- Official Board of Supervisors page (Fairfax County): <https://www.fairfaxcounty.gov/boardofsupervisors/>

Machine transcript (speech-to-text) produced by Coraggio Consulting. Not an official county record. Names and numbers may be misspelled; check the video at the timestamp before quoting.

Speech-to-text: whisper.cpp, model large-v3-turbo. Produced 2026-10-27. Each paragraph starts with its time [HH:MM:SS] in the meeting video.

[00:00:02] This Economic Opportunity Committee meeting will come to order, and it's a pleasure to have you all here and to welcome you once again to what I think has been a pretty productive opportunity for us to meet three or four times a year and to talk about the kind of not only the state of our economy, but just as importantly, the state of Fairfax County and what we are doing or what we can do to make it stronger and make it better.

[00:00:29] The first thing I want to do is to remind everybody there should be should be have an agenda at your place. And on the back of that agenda is a listing of the folks that are here that are part of our Council for Economic Opportunity. And please take a look. We have a number of just minor things to get started.

[00:00:49] Order of business. We're going to first and foremost remind people about the agenda. And then we had the meeting summary from our last meeting, which should also be at your place. Our last meeting is March 10th, 2026. I would just ask if anybody had any questions or concerns or changes that they wanted to make in that to please identify those now.

[00:01:13] And they're also posted as part of the meeting. Yep. Not hearing or seeing any comments or changes, we will move on to the next item. Our discussion really today is about what's happening in Fairfax County, particularly what is reshaping our regional commercial and institutional landscape.

[00:01:35] And today's session, we are looking at examining the momentum that is building in our local economy, identify what factors are driving our local investments, as well as discuss how the county and our partners can position themselves to accelerate growth and maximize long-term impact.

[00:01:53] We are pleased to have a number of executive leaders here today, including Dr. Stephen Jones from Inova, Barry Bass from Silverline Equities, and Rob Ward from Clark Construction to share their industry's perspective on this topic. Their insights will set the stage for a larger discussion that we'll have with the council on their perspective areas of investment and opportunities for growth. The information discussion today will help inform county initiatives for economic competitiveness, which we're working on now. And Jen Miller and our county executive have been working many, many months on as a result of a board matter from the chairman almost a year ago. And that will help, again, inform how we proceed and ensure

[00:02:32] that we're doing this effectively. With that, I'm going to ask, I'm going to go around the table and ask everybody to just briefly introduce themselves. And then we will come back and begin our presentations. I'm going to start with the chairman next to me. Thank you, Supervisor Stork.

[00:02:48] Chairman Jeff McKay, Chairman of the Board of Supervisors, I want to thank all of our private and public sector partners who are here this morning for this conversation, this important stuff, and look forward to continued dialogue. Good morning, everyone.

[00:03:05] Brian Hill, County Executive, and also very happy to be here today for this dialogue. Good morning, Jen, Deputy County Executive for Community Development. Good morning. I'm Jennifer Taylor with the Northern Virginia Technology Council.

[00:03:23] I'm looking forward to the discussion as well. We are unveiling our new three-year strategic plan next week. It has a lot in there about economic growth and workforce, and so I'm looking forward to partnering with many of you. Michelle Reed, superintendent, Fairfax County Public Schools, and excited to have just graduated almost 14,000 young people into the economy in the last two weeks.

[00:03:51] And cross-president, Northern Virginia Community College. We had our commencement. About 8,000 students graduated from NOVA this year. Victor Hoskins a CEO Fairfax County Economic Development Authority excited to be here today. Good morning I'm Rob Ward with the Clark group representing our development interests as well as our construction very excited to hear about the recent graduates Because there's an absolute need in our industry both development and construction for new labor So happy to talk about some of that this morning - thank you Barry bass with Silverline equities co-founder you're probably more familiar with my co-founder Anthony Chang who's

[00:04:31] I'm kind of filling in for him while he's at an Urban Land Institute conference. Relative new entrant into the market, Silverline Equities, but I've been in the real estate business for 40 years and the D.C. real estate market for 30 years. Good morning.

[00:04:47] I'm Stephen Jones, CEO of Inova, and I'll be speaking in a moment. I've been at Inova for eight years. It's been a pleasure to be part of Fairfax County. Good morning, everyone. Jimmy Bierman, that's M-A-N, because the N was missing on the CEO meeting participants page. But sorry, of all the people on the board, I'm the one who generally spots the typos.

[00:05:09] Drainville District Supervisor, thanks so much. All right, good morning, everyone. I'm Andre Marshall. I'm the Vice President for Research, Innovation, and Economic Impact at George Mason

University. And if you haven't heard about it, please check out our Grand Challenge Initiative.

[00:05:26] It's all about leveraging our strengths, leaning into our values, and working with our partners to create a better future. for the U.S. and for the world. Andres Jimenez, Mason District Supervisor. Mark Carrier, President of the B.F. Saul Company Hospitality Group.

[00:05:47] So I represent those interests as well as the Northern Virginia Chamber. Rodney Lusk, Franconia District Supervisor. Hi, I'm Kathleen Featheringham. I'm a Senior Vice President at Maximus, which is based in Tyson's Corner. And I'm actually also the head of AI for Maximus.

[00:06:06] Dahlia Palachuk, Providence District Supervisor, predominantly Tyson's and Merrifield, so the economic engine. Ashwin Barrett, excited to be here, CEO of Ravichar and Gallant. Hi, I'm Rachna Saismerheiser, Braddock District Supervisor.

[00:06:26] I'm Cheryl Minaj, President of Tain X. Walter Alcorn, Hunter Mill District Supervisor. Peter Kant, Chairman and CEO of Enabled Intelligence. I'm also very happy to hear about all the new graduates because we just got another expansion, and so we're adding another 70 employees here in Fairfax in September.

[00:06:45] So we will look forward to those guys. Good morning. Chris Herndon. I am the CIO at Hawkeye 360. Kathy Smith, Sully District Supervisor. Good morning. Rebecca Mowdry. I'm the Director of the Fairfax County Department of Economic Initiatives.

[00:07:05] I realize I probably didn't introduce myself initially. I'm Dan Stork, the Mount Vernon District Supervisor, but Chairman of the Council of Economic Opportunity. And it is absolutely a pleasure to welcome everybody here. And particularly, I wanted to get started and move on to our first speaker, which is Dr. Stephen Jones.

[00:07:21] here to lead us in a conversation about, what is ANOVA doing? I see all these cranes everywhere. What's going on? It's my pleasure to share the ANOVA story today, and I'm happy to answer any questions during the discussion, of course, as well. And I just thought it was worth starting with, you know, you kind of know ANOVA. It's a bunch of hospitals out there, but that's really not what ANOVA is. And one of the things that even we still struggle with pronouncing our name, because it's tempting to use an I at the first of the word, because it's there. But But the bottom line is that we work at Inova.

[00:07:55] And what I'm glad to share with you today is to help you get an understanding of us not only as a provider, that's the obvious part, not only as a hospital system, because although that's obvious, we actually see more expansion on the ambulatory, meaning outside the hospital at this point in time, with a couple of big projects, obviously, on the hospital level that we share, and as an employer, the largest employer in the nation's capital region, the entire nation's capital region, private employer.

[00:08:19] So let me start with a little piece of good news here. Last year, Enova was named the health system of the year by Press Ganey, the data-driven company that you've all answered data on, on patient outcomes and experiences. And then just a couple of weeks ago, Modern Healthcare, which is kind of a trade journal for our industry, named Enova the number three large health system in the country.

[00:08:39] And I will acknowledge that when we started this journey, either of those seemed like a real stretch, but we set our goals high and we reached out to achieve those. You might recognize, for example,

the one that finished immediately behind Inova. Some of you may have heard of a couple of brothers in Minnesota that started a couple of hospitals and stuff.

[00:08:58] And they're, according to modern health care, almost as good as Inova is. And really to understand Inova, today's Inova, you have to understand our mission, vision, and values. And every company would, of course, have those and speak to those. They literally drive every single decision that we make, every single decision I, a CEO, make in the organization.

[00:09:18] And often the things, including the things that may come up at this table here, one of the things that's been most helpful for us is we understand what our mission is, is to provide world-class health care. We call out each person, both for the patient and as an inclusive organization that believes that's a strength, not a program for us. And we're very proud that we have community in our mission statement to call back to the fact that as a not-for-profit, very large, approaching \$8 billion not-for-profit, we have a responsibility.

[00:09:43] Our only shareholders are our communities, the members of our communities. That is our only responsibility, and we try to make sure that we never, ever lose that critical focus to that. Now, go back. That's the map of all the locations we've got. Actually, it's the map of all the large locations we've got because I literally, as CEO, do not know the number of locations that we have.

[00:10:03] If I ever quiz upon that, I'm going to get in big trouble. Please don't ask me that. But as far as large sites, you see that, of course, we're across Fairfax County, but we also have large physical presences in Alexandria, in Falls Church, in Fairfax City, and, of course, in Loudoun County as well.

[00:10:23] Here's the facts and figures. Again, 26,000-plus team members. We started out at 18,000, so we've added about 1,000 employees per year. And when we see discussions on job growth and we hear all the glitzy things of where job growth is, just pick up the Wall Street Journal, job growth is in health care.

[00:10:40] I don't necessarily know that I want it to be there, but it is the reality that it is the job engine and, to many degrees, economic engine, not just in NOVA, but, of course, our competitors as well. You see all the things. We've got what was the third busiest emergency department in the country.

[00:10:55] Now it's fourth. Apparently someone got busier, and I'm actually glad about that. And you see over there that we have, you know, 100 and I can't read it that distance, but you see our economic impact there. You know, total of over \$300 million, totally economic impact.

[00:11:13] No, not economic impact. Sorry, community benefit. and our charity care has gone up 27% this year, we actually lean heavily into that. We realize that that is a responsibility of ours, and we do not ever run from trying to make sure that we have charity care available for those who need. So talking about our growth there, it has been extensive, and I want to start with our growth in our underserved areas. And so you see there that on a social level, the place where those greatest needs are, and you see on the right, the place where we built our Inova Cares clinics.

[00:11:46] Started with almost 10 when I got here and I thought it was one of the best things, pleasant surprises I found about Inova. Phenomenal work by phenomenal people. And we've expanded that to now over 30 of those clinics serving the underserved and other various groups that are typically not cared for by some other entities.

[00:12:04] And if you look at the map there and then you watch us overlap at where the need is and where those clinics are, you see that indeed we've been very intentional on meeting the needs where the need is and not where we think it is, working, of course, with many of you in this room and others towards meeting that need.

[00:12:21] Inova Mount Vernon, I want to just call out Supervisor Stork. You know, we're going to be celebrating our 50th anniversary this year. We have had major capital investments in there. And I do want to take on with Inova Mount Vernon, proud partners of the supervisor, is that there was a point in time where there were discussions on that Inova Mount Vernon might not be an acute care hospital.

[00:12:41] I've said it publicly, and I hope you'll all help me echo it. is that as long as i'm ceo of this organization it will be a thriving hospital that we will be investing in and because one it's an investment is important to us number two we have a responsibility to that and every community so we're investing and growing in a nova mount burn and i want you to know that we're proud of and celebrating the emergency department at a nova fairfax our flagship you know well over a thousand bed hospital 1200 people in the building today patients, way more people than that. Again, until recently, the third largest ED in the

[00:13:16] country. And the reason we've tried to downsize that is, but we believe that it's our responsibility to offer lower price, better access in our urgent cares. We also identified that it was a, although it looks like a core business of ours, we recognize that we needed a partner and we partnered in a 50-50 JV with GoHealth, a national company that that's their only business. And we've expanded these so we provide markedly lower cost care, markedly greater access, and decrease the requirements in our emergency department. Having said that, we have about \$165 million investment going into the emergency department because we, until before we started, saw more than half of

[00:13:55] the patients that we saw there in the hallway. Our care was phenomenal, 90th percentile experiences. And when I, as CEO, came in and saw that number for the first time, I honestly thought somebody's lying to me there's no way they're having 90th percentile experiences in that terrible space but they are and they continue to through the uh construction and that will unfortunately it's you know it's not easy to build that inside of one of the largest hospitals in the country it'll complete in 2028 i think okay and then there's just another image of it with some of the facts in there including an innovative empath program for patients who the way i like best to describe

[00:14:33] it you know when that patient who's suffering a mental health crisis by the time that they're handcuffed to a gurney, you've lost the battle. And so trying to get those patients at a moment when they're vulnerable and let them go back to their families, instead of that downward spiral that we all in this room probably understand how that can happen in a behavioral health setting, that's a unit towards doing that. And our pediatric emergency department showing our commitment to pediatric care, and by the way, a place where our mission made me make the decision.

[00:15:01] If we say each person, well, each person under the age of 18 is still a person in our community, and why we've made that commitment to pediatric care, which hospitals across the country are largely running away from because it's not the profitable parts. We are greatly expanding intentionally and with capital investment. Of course, all of you have probably seen the awareness that we're replacing Inova Alexandria Hospital in two different sites. At Inova Franconia, that's what it's going to look like at the time that it and its partner hospital, Villanova, Alexandria, and Landmark open, they will be the two most advanced, two best hospitals in a physical capacity in the country.

[00:15:41] Clark is building one of those who we have Rob here today to discuss that as well. All going on on time. When you say, is it on time and on budget? Well, the budget went up substantially after the board approved this in 2019 on the order of a 25% increase in the cost of what started out as a \$2 billion investment.

[00:15:59] So you can do the math quickly on that. But our board, after complete reanalysis, felt that that was still the thing to do, even with the lesser financial performance, and committed to that investment for our community. This is where I know a couple of supervisors, Lusk, Supervisor McKay, the county executive, joined us for a topping off there.

[00:16:20] And historically, in these large projects, you don't always have a topping off. It's kind of more really for the folks who are actually in the building working on it. We thought we need a little energy out of it. We're going to need to let people know that these are multi-year projects, but it wasn't a straightforward decision, best decision I made down that line, and it really was a special moment for our community to see what's going on.

[00:16:42] In addition, this is the one that will be at Landmark. It's a more vertical site than the Springfield site, Springfield-Pranconia site, will offer to us, but it's also coming along, and Clark Construction, that's a picture from them about a few weeks ago, again, a topping out and on target to open.

[00:17:01] Both of those will open in 2028. Long project, approved in 2019, 2028, \$2.5 billion investment. It's kind of a big deal, obviously, to do that. But it's the first time, to our knowledge, on the whole planet, that any else since it's ever, you know, announced two hospitals at the same time, broken ground, topped out, and will open, we believe, on the same day, towards the end of 2028.

[00:17:25] And, yes, it will be an employment engine for our community. I'm sorry, though. no commitment supervisor. We love everybody. We say each person, right? But I do want to emphasize that not a single thing I've shown you there is ANOVA. Those are buildings in which ANOVA really is, which is the people at ANOVA. And we strongly believe, I strongly believe that our success has been totally predicated on the fact that we focused on our people and make this the best place to work. You see there that across the board, kind of whoever you are, we want this to

[00:18:04] be the place that you see yourself belonging, having a career at Inova. We've already talked about the almost 1,000 FTE increase per year. Obviously, no other industry wants to do that because no one can take that cost on. We recognize that we can't take care of people without the best people. And there's a recognition on the bottom right there, and there's lots of badges go up, and I know everybody's got badges they can throw up. The one on the far right bottom I do want to focus on, which is Glassdoor, because Glassdoor is the least manipulable data source you can have in employment. And they rank by people who work for a company or who used to work for a company,

[00:18:42] not always your highest accolades from, but they both rate in there. And that for the first time this year, I know it was ranked in the top 25 among all of healthcare, but that includes insurers and some other things like that. Among providers like us and Mayo Clinic, the one right behind us, They ranked us the 11th best place to work in delivering health care, and that's the real key to our success in everything you've seen there, including the fact that regardless of headwinds, we have confidence in our ability to survive and thrive.

[00:19:14] A lot of that comes through that talent that we've talked about. We work through with, of course, the schools. We work very closely with Dr. Reed and Fairfax County Public Schools. We have programs together. We bring schools in, and I won't go through the numbers, bring hundreds of schools onto our campus to show them that they all know that you can be a doctor or nurse.

[00:19:35] They don't all know that you can work in tech in health care or be a technician of another level or all the various pieces to let even kids that aren't going to go to college or maybe go to med school know that you've got a future in health care out of NOVA. We work with our secondary education there, of course, and you see across there, whether it be the University of Virginia, which occupies some space on a workforce, adult education level, not on a provider level.

[00:20:01] We work with George Mason. You see me with less bald head showing than usual, but I was really proud to be able to speak to those graduates of Public Health College recently and get them excited about their careers in health because I do think it's an honorable career. And as we, Dr. Crest and NOVA, we do obviously tons of stuff with them as well.

[00:20:22] We also work with military at multiple levels, including military medicine. We're very intentional on trying to hire active military and spouses, to hire veterans. That's a strong part of our workforce as well. And you see at the bottom there, went from 85 to 595 on engagements because we realized we weren't getting it right.

[00:20:40] We didn't just say it's hard. we got it right and now we're engaging hundreds of members out of those groups as a key part of our workforce and we would be remiss to not bring ai because we know it's there and i would say that in nova we lean into ai we're enthusiastic about it and we're extremely thoughtful about it don't say think one of those without the other in that but we use ai in our in well at in nova i won't speak for our industry specifically to make people's lives better to make our work better to make our patients care better to improve whether it be diagnostic interactions with your physician or other provider, and then how we engage you, we do that intentionally with AI, but we do it safely.

[00:21:19] And so I put this quote up from Dr. Topol that I worked with when we were both at Cleveland Clinic on, for us, it's all about making that human connection, that healing moment, that comforting moment, regardless of the points in life, that's what we use AI to do at Inova.

[00:21:34] And very importantly, we talked about that we do this only safely and securely. We're recognized as by the Joint Commission, which is our regulatory body. The Joint Commission recognizes us as the first certified for the responsible use of data, specifically because we got that as we saw AI becoming part of it.

[00:21:52] We knew that had to be foundational to what we do at Innova. So I'll stop that and just remind you, we have a deep, deep relationship. The chairman is on our board. Supervisor Gross was on the board when I was hired and fell in love with Innova.

[00:22:09] And that relationship goes back to originally an old Fairfax hospital. It's now expanded into the place that we shared with you today. And I'm pleased to be able to answer any questions that you've got regarding that or obviously take your feedback. Thank you. Well, thank you, Dr. Jones.

[00:22:26] And I would point out Supervisor Bierman is on the advisory board for ANOVA as well. And, Chairman, we obviously love and greatly appreciate that connection. And if anybody had any doubt about the importance of health care, it's doubled as a percentage of the economy in the last 50 years.

[00:22:45] I'm sure it's going to continue to go up, maybe not quite at that pace, but going from about 8% of the economy to now about 18% of the economy is a big deal. And we know if we're not on the front edge of this, then I guess if we're not winning, we're losing in some ways is that famous quote.

[00:23:04] But we know that having ANOVA, the partnership with ANOVA, is a critical part of that. So thank you. I'm going to turn to the chairman for a few comments. And then I'll be looking for questions, comments, first from our non-board members, and then ultimately our board members trying to get our community representatives to give us questions first.

[00:23:24] Thank you. Well, thank you, Dan, and thank you, Dr. Jones. I wanted to start by just pointing out the obvious, which is we have outstanding leadership at ANOVA. So thank you, Dr. Jones, and your team for what you do every day. As someone who's tracked ANOVA for a long time, I don't know that I've ever felt more confident in the leadership and the future of the system.

[00:23:46] And I say system because we can't say that enough times. It's not just a hospital. It is a system that serves our community. And as you acknowledge, there are deep partnerships and roots between the county and ANOVA intentionally going back a long time. And one of the reasons for that is we know, and this wasn't stated, I think it's obvious, but I think it's important to state, is that companies and people, when they decide where to go and where to live, look at a lot of things.

[00:24:14] They look at the obvious things, a strong public school system, a business-friendly environment, a low-crime community. They look at cost of living, and they absolutely look at health care and whether the health care system that is in place is robust enough to care for them and their families.

[00:24:31] And so we look at this as not just an industry but a really vital economic development tool both in recruiting and retaining people who have lived here for a long time. I can't tell you how many retirees I've talked to who have said that the health care system and network we have in northern Virginia is what keeps them here.

[00:24:51] And that is really important. That is an emotional attachment, but it's also very real for people depending on what stage of life they're in. And so this is absolutely one of the reasons why the county has such a deep partnership. That's how important it is to our community.

[00:25:07] I will also say from an operational standpoint, serving on the ANOVA board helps me get a much better perspective of all the initiatives that have been presented here. But sometimes the small things remind you of how blessed we are here. Writing with our first responders and listening to our paramedics talk about the experience they have coming into an ANOVA hospital versus the experience they have coming into other systems.

[00:25:34] Not something any of us ever want to think about, but they're thinking about it every day when they're out there serving our community. And so that partnership with our first responders is a really important part of what makes ANOVA as successful as it is.

[00:25:50] Lastly, I do want to mention two things. One, the cranes that you see in these pictures are outstanding. And I say cranes because we're building great world-class facilities here. But those cranes in Springfield and the city of Alexandria in these two locations are the only cranes you can see for miles from those locations.

[00:26:12] And those cranes mark a sign of economic stability, of renewal, of investment, and hopefully, you know, something that the rest of the private sector sees, that these are growth areas in the county. These are areas where we think we have a bright future. And then I'm going to end on bright future because you talked about workforce partnerships with GMU and with Northern Virginia Community College, with FCPS.

[00:26:36] And I just want to reemphasize how important these are in health care in particular, because the biggest challenge I think all of us are going to face is can we sustain a thousand? This is a thousand positions just with ANOVA. And then you think about all the other health care positions that exist in our ecosystem.

[00:26:53] That's that's a fraction of the larger number that that we need. So a couple of weekends ago, I was at the and I want to thank Dr. read for this i was at the fairfax county public schools health ambassador graduation and this was a partnership between our health department and a lot of others at the table including anova who are training and getting our high school kids engaged in thinking about careers for health care and one of the big takeaways from that and it goes back to why health care is an integral part of our economy and our quality of life one of the big takeaways was we don't know how many of these

[00:27:31] kids will go into public health careers. What we do know is their understanding of public health will help them in any career that they go into. This overlays everything else that we're talking about. If you think through a public health lens, no matter what profession you're in, you're going to be better at that profession. And the talent that was on display with these young people and the ideas that they came up with was proof, again, that the best source of workforce development for careers that are intense, like health care, is a high-quality, thriving public education system.

[00:28:07] And that was on display through the Health Ambassador Program. And so that's how integrated the county is with ANOVA and with our young students to try to make sure we're prepared for this next stage of health growth, which we know is going to be explosive. And so I just want to thank you for the presentation, thank you for what ANOVA is doing, but thank the partners around this table who are also playing a role in workforce development, in education, in economic development that are so vital to making health care work in a very complicated environment.

[00:28:40] Thank you, Mr. Chairman, and we've got about 10 minutes for Q&A, and I'm going to first ask our non-supervisors if they have questions that they want to ask, and please, I'm looking for hands or somebody to initiate one. I know, yes, sir.

[00:28:57] Thank you. Dr. Jones, thank you for the phenomenal service I was doing. So I thought I should know what INOA stands for. I asked chat GPT, it said you don't know. So like iPhone and iPad, I'm just making it as I, Northern Virginia. So the question, Dr. Jones, is, like, so predominantly, like, my job is fully into AI.

[00:29:20] For the first time, the last few months, I'm hearing from all the gloomy job losses, AI is going to start creating new jobs, which I believe in from 2028, because a lot of proliferation of new services is going to happen. How do you see, but nevertheless, there is going to be displacements of jobs, especially on the younger generation, with 14,000, like Dr. Reed graduating, 8,000, Dr. Kress graduating. How do you see in healthcare, specifically or in Northern Virginia, younger generations prospects because of AI, whether it's

going to be a good prospect or it's going to have a bad impact? I probably can't put it in one category or the other. I do believe that the statements made by especially the hyperscalers that all jobs are going to weigh

[00:30:00] are ridiculous. And I know that I may be a voice in the wilderness on that, but all jobs aren't going to go away. We've had new technologies forever and human beings still need to do things that human beings do, including having meaningful work. We do what we believe is the most meaningful work you can do, which is to take care of our fellow person.

[00:30:18] And so that I do believe that jobs are changing. They already have actively changes. Let me give you an example at ANOVA. I was visiting our infusion area where patients get cancer treatments in one of our buildings. Visiting that with the president, Dr. Deacon, who, as we talked to the nurses there, we were talking about some new AI that we had put in place that was a scheduling AI.

[00:30:41] which is not very sexy if you think about it. But as I talked to them, I said, how does it work? And they said, it's working great because what they're doing is they're spending time seeing patients instead of looking for a doctor's order or figuring out whether the patient's really going to be up from radiology or figure out whether they are going to have the right drug there that day.

[00:31:00] All things that are real world happen every single day in every single infusion center in the world. So as it turns out, they're taking care of two and a half more times people, Two and a half times more patients they're seeing. When I heard that, I kind of, oh, my goodness, we're working you to death.

[00:31:17] That's got to be, we need to think about this. I said, no, we're happier than we've ever been because we're doing what we want to do. We're doing what we train to do. You know, we're taking care of each other and our fellow person. You know, they're not chasing down all those things. And so their work is more rewarding. They're going home less tired, less stressed, and we're taking care of two and a half times more people in the same amount of space with the exact same number of people.

[00:31:43] so jobs are going to change. We believe it's our responsibility to make those job changes be good for people, and there are going to be individuals who are going to be affected more than others. I don't think we should pretend it's not the case. We make a commitment while we're actually in the process of trying to start skilling our workforce to these changes are coming. Let's help you have a better job as part of it, and it will be different. We want it to be different and better.

[00:32:07] Thank you. Thank you. Yes. Hi, Dr. Jones. Thank you so much. That was an awesome presentation. So we love ANOVA I gave birth to my three kids there my two adopted kids had various special needs and surgeries and things there and the care we got really is top-notch um incomparable like it has been an amazing what you have built is really one of the strongest I think health care ecosystems um so my care like because we come from the tech space and we're talking so much about AI how what is the plan to kind of handle the testing the legalities because we're not sure how this whole AI is going to be rolled in.

[00:32:47] So when Inova is, you know, we're trying to create jobs, not take away jobs, and we don't have the ethical and the legal rules yet to catch up. So how are you guys handling that? Because I know we're facing that in the tech industry as well. So how are you guys handling this unknown area of, like, the legal and the ethical as well as trying to test out and implement and increase the, you know, productivity of people and not take away the jobs?

[00:33:12] It's very nerdy how we do it. McKinnon. And it starts with foundations. So why do we seek to be certified as the first in the entire country for safe use of data, secure use of data? It's because we thought that nothing we did, as we saw AI coming, nothing we did, first of all, we didn't think the AI was going to be effective without good data, but we thought it was more important because we have the most precious data that anyone can possibly have. And in our geography, we have the data on probably almost everyone in this room, including me, okay, of our leaders, our, you know, Washington. So we feel an increased responsibility to be secure with our data. It's also why I will be tomorrow at

[00:33:50] exactly this time with the FBI and the Hoover building. We twice a year are part of the TALEN program, which is the threat assessment program many of your industries had, believe it or not, before healthcare. They started late, but we were the inaugural program on that for the same reason. And that relationship helps us.

[00:34:07] So for one thing, when we see intrusions, which in our company happen thousands and thousands of times a day, intrusions. I didn't say actually where things occur. In fact, we're extraordinarily in that. I don't want to, okay. But, you know, we will be there because when the FBI, we call them, they know that, by the way, we probably have their data as well.

[00:34:29] So we take it very seriously. So that was the foundational part. second was getting the technology just the tech stack in place that you all are way more advanced than we are we had to do all of that we had to develop governance and so it took us that was one of the things and the chairman on the board knows that i at one point like we have to get this down pat we don't have more time we made that an organizational our number four priority in the organization um and so we got that in place to where we have large groups multi you know it's not just me telling folks what to do literally hundreds of folks involved in the various areas whether it be clinical, business, you name the various areas, who will look at any given piece

[00:35:06] of data, come up with those guiding principles that governance, you know, we got guiding principles and it doesn't fit that. We know that we're not going to advance with it. And then a group that will look at whether it's even okay to do it before we decide, is it a good business decision to do it? Now, having said that, after getting the right infrastructure in place, we've got that said 70 plus, I think it's 73 active instances of meaningful AI that is improving our work.

[00:35:30] Of those, there's only one that I know that we're probably going to discontinue because I don't think it's done what we had hoped. For the rest, we feel enthusiastic. The last one is skilling our folks to understand it because it is scary. I mean, it started with I made every single person in my executive suite get a subscription to an unnamed larger language model when it was released in 2022 and start learning because I didn't know either, but we knew that something was going to be there.

[00:35:57] And at this point now, broadening that across our entire workforce over the coming months. So it is a journey because we think we're not going to stay in front of it. We're going to do our very best to stay with it and to be safe in doing that. Thank you. Yes, sir.

[00:36:14] Dr. Jones, thanks for your presentation. They're very informative. One quick personal note and echoing Chairman McKay's notes. I recently moved my parents from Maryland to McLean, and they have all of their doctors are through the ANOVA system, and it's like night and day for them.

[00:36:31] And to your point, Chairman, that will keep them here. We thought we might be sending them somewhere else. But they will be staying here, and they are locked in. And I love their program at ANOVA. So thank you for that. I hope that's a good thing. If so, you're welcome.

[00:36:47] So I didn't say I would be staying. No, it's a very good thing. And it's good to have them close by. And I'm glad they're happy and, honestly, stunned by the difference in health systems. It's unbelievable, to be honest with you. So my question is more in the real estate vein, coming from the real estate and construction world.

[00:37:03] You mentioned, obviously, it's not just the hospitals. It's a system and a number of different facilities you have. Could you just talk for a moment a little bit about the need for other facilities outside the hospitals, whether it be MOVs or ambulatory, that type of thing, and what that looks like in terms of your needs going forward here in the county?

[00:37:20] I think it will be all of the above. So for one thing, Inova, like almost every health system, was a siloed hospital system, successful in that era because that was the right strategy in that era. The strategy right now is it is all about a system. The chairman's made that, I think, very eloquently over a long period of time. And so it will be continued where we need everything from intensive care that's the highest level anywhere to our expansion of ambulatory large centers. We call them health centers because that was the best name we could come up with. But they are very intentional. They're not in medical office building MOB. It's traditionally people rent. You have a certain first square foot and it's just kind of a business.

[00:37:59] There will still be needs for those, but what we're doing with the ones that we've built, especially in Oakville, is our first of several that we're building now. We're building one on the campus at Landmark, for example, and we will be building more of these over time, is to have a care model, have care for people who work together that need that interaction so that patients can get a semi-one-stop shop for most of what they need.

[00:38:24] And if they need the hospital, then we're going to do that, have them there. But the last part is we still need that two doctors in a strip mall in places that aren't going to ever have a large center like that. We're going to need our urgent cares to be kind of that same thing. I've got one right down the street that my wife goes to because she doesn't think she has a good enough doctor at home with her, you know?

[00:38:44] So it is all of the above, but an increase towards team care that we do believe that, you know, while one of our values is one team, we really do mean that that's how we provide better care. And later this afternoon, I'll be looking at a pretty significant capital ask on that exact very concept.

[00:39:01] And by the way, both of my parents moved here for that same reason. And it worked out very well for me. Thank you. Thank you. So I have a question, but I don't exactly want you to answer it today or necessarily in this forum.

[00:39:16] But we have a really unique situation here where you have twin hospitals, one that was in Fairfax County, one that was in the city of Alexandria. We are always trying to improve our development processes, improve our real estate processes. So not necessarily today, but maybe down the line, it would be great to know what was easier to do in Fairfax County and what was easier to do in Alexandria City.

[00:39:41] What worked better in Fairfax County? What worked better in Alexandria City? We are always trying to do a better job here. And now we have, again, we have twins, and it'll be, you know, Rodney will

be fighting over the fact that the ribbon cutting happened a few hours earlier or whatever until the end of times.

[00:40:01] But it would be nice to know when we go through this whole process and when it's all said and done, what made work here go better, what made work there go better, what can we learn from having two things that are very similar being built at the same time.

[00:40:16] So I appreciate you not making me answer that today. But I will make some thoughts on it, which is that regardless of geography, we all know, I hope we all know, that we do not have it down pat here in northern Virginia, period.

[00:40:33] That we, and I know that the chairman and the county executive are working on that, my understanding is right now, and I hope I'm very hopeful towards that. But I don't think we should run from the fact of if it is not doable to build, building doesn't happen.

[00:40:48] if it's not a financially right decision if it doesn't pencil for the place the folks that build those things they're not going to happen and i i think we often kind of talk around the topic and all but i think you just at the end of the day if we make it easy if we make a one stop we will walk you through that you'll get more things built if we reduce the cost of building we won't make things more built and i will and i know this one's controversial i believe very strongly that ultimately it's the denominator that solves the housing issue and housing is a huge issue for a novice why i've spoken in this room on that topic it's a huge issue i have nurses who this morning

[00:41:27] got up in west virginia four in the morning and they were on 66 and so those of you who drove here on 66 and thought why are all these cars here and why does it take me a long time to get here because they're having to drive from west virginian places yeah and so it's a huge issue for all of us that i think also solves our transportation issue and i believe it's the denominator i believe and this will be controversial and i recognize it when we focus on what housing's approved what we do is limit all housing being approved and i will take our example that you are aware of our former corporate headquarters you know we um for a long time didn't get housing

[00:42:03] built on there we have to get to where let something get built because even if we build and i'm gonna be cautious here if we build a million dollar house that's not affordable for a lot of people but if we build a million dollar house people who live in a two hundred thousand house will move in it, and that \$200,000 house will be available for somebody and down the line.

[00:42:21] We simply need a greater number of houses, whatever category they are. That is what we have to do to move beyond the current discussions, I believe. Co-sign. Thank you, Dr. Johnson. Housing for all we know is core. Mr. Hill, you wanted to comment, and then Dr. Kress. I know you want to comment. Well, you know, I always love to hear Dr. Jones speak, and I did speak to the city manager in Alexandria. We are one day ahead of them, but I believe you are still on schedule and on budget on both projects, and I also believe that once these projects are done, yeah, housing is

[00:42:55] going to be at top of our forefront of our imagination and how we can get it done, and with your help, I'm sure we'll get there. Working with Ms. Miller and this housing board matter, we have seen that many of our people do live and work here in Fairfax County however many are leaving Fairfax County go work the question is how do we get the housing together so we can keep them here so they don't have to

be on the roads as long but I do want to say thank you and Jim Parajan just text me he said he's one day ahead that's not true no comment and we need to just if you can make it

[00:43:33] quick because we need absolutely so just really a quick story leading to a a question about sourcing workforce. So I mentioned our commencement. Our commencement speaker was an individual, Jack Hamm, who got his GED, came to NOVA, went to GMU, and came to speak to our students one day after graduating University of Virginia Medical School. One of the graduates he spoke to was his sister, who is graduating in radiation oncology as an adult learner. And so as you look at those numbers, as you look at that expansion, one of the things we're seeing as we double the

[00:44:09] size of our own medical education campus is the number of adult learners who are coming to us through very non-traditional paths. And so I'm just wondering, how is ANOVA thinking about those non-traditional opportunities for individuals to find that pathway to sustaining wages and economic opportunity through health care? I think dual. For one, working with phenomenal partners i do give credit to the to the education folks in the room here of we have hardwired some real meaningful interactions because historically like everything else it's siloed it doesn't

[00:44:45] happen but we've gotten in the room together sometimes and disagreed on things of how we actually get these learners whether they be any of the different levels you have in addition we have lots of folks who indeed go back and with your organizations develop those things that you're talking about there and internally we do the same thing so i've got dozens of stories of somebody who started out in SPD at sterile processing. It's really the most entry-level job in healthcare.

[00:45:11] And at some point, they work with the operating room, getting instruments sterilized, and they become a tech or a nurse or a surgeon and remember being back there when they were the one who were preparing those instruments for surgery. So that career journey, we believe, is a huge part of ours. And I didn't mention this. We have, to our knowledge, the lowest turnover in healthcare anywhere in the country that the lowest in the country it's been very intentional because i every monday morning including yesterday morning on board yesterday it was 153 new team members 153 and i say welcome to your career at inova and i multiple times say go back of whatever your job

[00:45:47] is now we want you to as you advance have that opportunity to continue that career at inova because by the way it not only provides better care when we have the lowest turnover because people work in teams. You already heard how important that is. But let's face it, it also reduces our cost by not having turnover and training. So it's a core strength of ours.

[00:46:06] And what I said earlier, you know, Inova is not those buildings. We like them. They're proud of them. You know, but bottom line is it's the people in those buildings. That's what Inova is. Well, thank you all. And it's been a fantastic discussion. I'm going to turn to Rebecca Madre, who's going to introduce our next segment. Thank you very much. Thank you, Dr. Jones. And I think at the end we'll have a larger more time for a larger discussion as well so if you have more questions for Dr. Jones I think we'll have time so I'm going to briefly introduce our next speakers Barry Bass and Rob Ward so Barry is co-founder and principal of Silverline Equities a real estate

[00:46:43] investment firm Silverline is investing in existing offices and making targeted upgrades Barry has over three decades of real estate finance experience having served as CFO of several public and private real estate companies, including First Potomac Realty Trust, which he helped take public in 2003, and Carr Properties, a major office building owner and developer in the region. Mr. Ward, Rob Ward, is

vice president of the Clark Group. Clark Construction is a major nationwide construction company, as we know. We just heard about a major project ongoing now.

[00:47:20] Clark works with a wide range of real estate products and assets. Rob Ward delivers strategic real estate and construction solutions across Clark's portfolio. He previously served as Virginia's chief transformation officer and senior advisor for real estate in a previous administration.

[00:47:40] And prior to this role, he oversaw \$4.5 billion in asset development as president and CEO of Skanska USA Commercial Development. So I think first we are going to turn it over to Barry to provide some remarks, and then Rob, and then we'll open it up for discussion.

[00:47:58] Thank you, Rebecca. Thanks for having me. It's great to be here. Anthony apologizes for not being available, but hopefully I'll do. So we started Silverline about two and a half years ago to take advantage of what we saw as generational unique opportunities in the office market to take existing office buildings and make them better office buildings.

[00:48:22] We've done three deals so far. We started in Alexandria. We did a deal in Tyson's and then most recently here in Fair Oaks. And our philosophy is that you buy the right office buildings in the right locations.

[00:48:38] You can keep them as office buildings and, you know, they will be successful as an office building development. But that's not true of all office buildings that we have out there. Just to frame the conversation, northern Virginia has about 180 million square feet. of office buildings. Our best guess is that about 10% of those are, you know, not, should not be office buildings over the long term. So that's a big number. You know, 15 to 18 million square feet. That's hundreds of acres of land that, you know, needs to be repositioned

[00:49:14] in this market. There's no new construction going on really to speak of. There's some build the suits going on for Mars, for Booz Allen, for HIT. And that's where you see the few cranes that you now see in the skyline, but really nothing other than that. So don't see any real new office buildings being constructed. Office buildings should be taken out of the marketplace. And, you know, we are seeing, shifting to the demand side, a little bit of some green shoots on the demand side. You know, we've talked about that on the healthcare side, the education

[00:49:53] side, government contracting side, AI, you know, space and satellites. And, you know, in our buildings that we've owned for now, a couple of them we've owned for a year plus, we're seeing our existing tenants who had downsized during the COVID era start to need more space. 75% of the leasing that we've been doing over the last year has been existing tenants expanding their footprint, whether that be government contractors, law firms, some banking companies. And as we know,

[00:50:30] you know, defense and defense contractors are probably particularly hot, especially in this market with the expanding defense budget. But not all office buildings, as I mentioned, are where people want to be working. People want or seeking vibrant mixed-use environments.

[00:50:51] You know, I'm sure you see a lot of nodding heads. Talk about that quite a bit, where you can live, work, play. We talk about AI. You know, a lot of people still work from home, but there's a return-to-office movement taking place, and people want to return to an office where, you know, they can go grab something to eat, go someplace after work, you know, isn't a tough commute from where they're living

currently. And so that's what we've been focusing on. And those are the opportunities that we see available. It's the office buildings that don't meet all those criteria

[00:51:27] that probably should not be office buildings for very much longer. To kind of compound the situation is a lot of those office buildings were bought pre-2020, so pre-COVID. People paid too much for those properties. They have an extremely high basis in those properties. They put a lot of money into those properties. And so those properties are upside down from a capital standpoint. And the current owners and the lenders don't have the capital to put into those buildings.

[00:52:02] And if they did have the capital, those are not the buildings that they would be putting the capital into because it's literally good money after that. So we've gone in, we've reset the basis in those the assets that we've acquired and that's what you see a lot of people doing but there aren't a whole lot of institutional buyers coming into our market yet right so silver line equities we describe ourselves as two men in a truck anthony and i um you know we actually have two trucks but anyway um we uh yeah we we have found some good family office

[00:52:37] investors um one of our investors was a taiwanese fund that anthony uh knew from his days at stream And so – but it's not the Blackstones yet coming into this market. It's, you know, a lot of the companies that had invested in this market still have a lot of legacy issues that they're trying to unwind.

[00:52:57] We're the beneficiaries of those, but – and we're hoping that at some point those folks will get back in to the market. So that's on the capital side. We are seeing one building, the first building that we looked at in Ballston that sold shortly after we formed our company in 22 years ago, is actually back on the market because they were able to, right near DARPA, they were able to get it leased up.

[00:53:21] It was such a, we call it a zombie building. The capitalization was terrible. They reset the basis and they had the capital to put into that building and to complete leases. And so that building has been leased up and is now back on the market at a much significantly higher value. So that's kind of the first example that we're seeing of one of these properties actually go through the process and, you know, come back out to the market. We'll see how the market receives it. And so it really is the capital markets that are driving the values of

[00:53:56] office buildings at this point, as opposed to the fundamentals as much. You know, because we're not seeing as much capital come in. Pricing has not been driven up yet as, you know, back to pre-pandemic levels, I will call it. You know, we're still at 50%-ish values of what we saw five years ago, six years ago. And then how we compare to, so Northern Virginia compares to the rest of the country. We're kind of middle of the, a little bit better than middle of the pack.

[00:54:31] So if you look at the ULI emerging trends report, Northern Virginia is ranked 21 out of the 81 office markets in the country. D.C. is 49. Maryland is 73. That's kind of typically where we see things.

[00:54:49] I think, you know, again, part of it is that I think that Northern Virginia hasn't risen as much is a lot of confusion about what the government is doing, right? And when I talk about the government, I'm not talking about this government. I'm talking about the federal government with Doge happening, and that's a little bit in the rearview mirror at this point.

[00:55:09] But there's still just the institutional appetite has not returned when there's so much uncertainty about employment in the marketplace. Markets that are doing well at this point throughout the country are San Francisco, which had just taken a complete – was it in the pits, in the dumps?

[00:55:30] And because of AI, it has become back strong. And New York has come back extremely strong as well, mainly because, well, I mean, there's the finance community, but also their return to office initiatives are extremely strong in New York.

[00:55:49] So, you know, in terms of what we think we could be doing, you guys could be doing to kind of facilitate things around here, you know, we invest in Northern Virginia. We named our company Silverline Equities because that's kind of our footprint along the Silverline.

[00:56:08] It doesn't have to be metro accessible, but it kind of gives you where we want to be. I will say that a lot of what we're seeing in the most recent transaction that we did involved one office building that we were keeping in his office building and one office building that we knew needed to be repurposed as residential.

[00:56:24] We talked to dozens of residential developers, and we were finally able to get one group to buy that property. But the process to take an office building and make it convertible to residential takes longer than it should in this marketplace.

[00:56:46] Thank you, Barry. Rob? Great, thank you. Thank you, Barry. I think I may echo a couple of your comments here. But just one quick other piece of background for me. When I served with Skanska in the U.S., I also did a lot of work across the U.S., Central Europe, and the Nordics, both in terms of office, multifamily, and some workforce housing.

[00:57:06] So from that, I have a pretty unique perspective. I'm going to say it's good in some respects, but some very interesting things that have been done in other countries and other places and some things that we're considering as we move forward here. My role at Clark's is a fairly new one in terms of strategic development. So we're working with development partners, in some cases with us as the developer, and then obviously using all of our construction resources to deploy some new assets across the country. So a couple things to mirror Barry's comments, and I'll be brief so there's time for questions and happy to take as many as you'd like. Obviously, the office market's challenged. That's really why we're sitting here. I like to anchor around a little bit around, you know, why that

[00:57:45] is. And we talked about COVID and back to office and some of those types of things. It's a big piece of it, of course. You know, today, you're probably at 65% occupancy three days a week in comparison to pre-COVID times, right? So that's a big difference in terms of the valuable office buildings. Fairbanks County, plus or minus 24 percent vacant, depending on what pocket you look in. We are in a better spot than a lot of other counties and cities across the country, so there's some positives there. The challenge and what I think is important to understand is from a developer's perspective or some of the economics here. So, you know, right now you're looking at older assets in many cases, lower rents and higher concessions, and that's really, you know, when Barry talks about

[00:58:24] buildings being upside down, that's really what we're talking about. We have a number of owners of buildings that, quite frankly, don't have the capital to do a transaction right now. So even if they had an amazing tenant that comes to the door and says, I want 100,000 square feet and I want it in Tyson's Corner, some of the building owners there can't afford to do that deal because effectively they're talking about, you know, if it's a -- call it an average building, average rental rates of \$40 a square foot, they're going to need 80 to \$100 in tenant improvement dollars, okay?

[00:58:52] So right there you're talking two and a half years of rent just in tenant improvements and then probably another 12 or 14 months of free rent and this is for an average building. So if you're that owner, that means if I sign you as a tenant today, the first three and a half to four years of your tenancy is you paying me back for the transaction cost to get you in the building.

[00:59:10] We haven't made a nickel. If we look at it from the perspective of a newer building and a nicer trophy asset with shell space, those numbers go up. You're talking 50 to 60 hours in rent, which sounds great. said, you're also talking about \$150 to \$200 in tenant improvements and maybe 12 to 18 months of free rent. So now my horizon's five to seven years of you paying me back for the transaction cost before I make the first dollar, right? And so that dynamic and anchoring around that's pretty important to understand when we talk about the office market here and what we can and should do with it. As Barry said, some of these buildings shouldn't be here anymore and probably have a

[00:59:46] higher and better use. And we need to work together to figure out what those are and move them along in an expeditious way. I think that's an interesting reality there in terms of those economics. But I also think Fairfax County is uniquely positioned. It's interesting to hear from Barry that he's not seeing a lot of institutional investors here, because we are, in fact, an institutional market. This is not a family office, mom-and-pop investor market. This is an institutional market. It needs to be. I think there are some things that we, also meaning you can do to improve that attractiveness to the investor community and to the institutional investors. And I'll talk a little bit about that in a minute. In terms of trends, one thing I will

[01:00:26] tell you is our ability to change here in Fairfax County is very high. Our ability to evolve, as long as we recognize where we really are and are not afraid to make some changes, we're in a very good position to do it. I've done work across the U.S. and I take like Houston right now. Their vacancies much higher than we are here in Fairfax County and their average building high-rise there's 50 to 75 stories we're not just going to convert those overnight we're not taking them down overnight and we're not turning them into something else very easily so that there's a real structural issue there Sharon Fairfax County we don't have buildings that are that large and to Barry's point there's a lot of acreage around these buildings not just Tyson's

[01:01:03] but obviously if you go out to the western suburbs and things there's a lot of valuable land so the question is how do we transition some of these things in best possible way for economic impact here and the benefit of our folks in the county one of the first things that comes up is obviously housing and i have yet to find a group that i speak to that is not all in on more housing anywhere in the country perhaps anywhere in the world but certainly anywhere here so there's a lot of opportunity there and we're seeing office to housing office to resi conversions and to some extent that's a good thing and there are some buildings for which that is a viable option there are also some buildings for which that is not a

[01:01:39] viable option. Economics around that from the construction perspective, you know, \$200 to as much as perhaps \$500 per square foot to make that conversion. A lot of it depends on the assets. So if you think of a downtown D.C. office building, for example, you've got very deep floor plates, right? Some of these things span a whole block. Well, you're not going to convert that building to an apartment building very easily because the core to window depth is very deep. So unless you want units that are 10 feet wide and 40 feet long, which is probably not an attractive unit to lease, you know, that's going to be a problem there unless you put something else in the

[01:02:13] core. Now, I will say Northern Virginia has better assets as it relates to conversion in a lot of cases, but we've also done a lot more in Virginia with post-tension concrete because that allows us to go higher, thinner slabs. There's more, there's benefits to that, but those are very difficult and more expensive to convert to housing. So there's a number of, between that, geometry, parking, there's a number of mitigating factors there. Not to say it won't happen, but in some cases it's not as viable as some people might think, and it's certainly not our only answer.

[01:02:44] If I think of other conversions, I mean, obviously office to resi is great. I do think that there are opportunities on these sites, and my question was thinly veiled there, Dr. Jones, as it relates to medical. I do think both MOB's have a need, and certainly some of the other facilities that The ANOVA system would need could have viable locations throughout the county. And it sounds like talking to Dr. Jones and what we see in other parts of the country, there is a need for an increased amount of real estate that serves care outside of a hospital, right? And if ever there's a place where we could do that, well, I think it's here in Fairfax County.

[01:03:20] One of the things that I would challenge the board supervisors here to consider is, you know, some different ideas around housing. So obviously apartments and different levels, you know, can we put townhouses in the middle of Tyson's Corner? And are we open to that? If that discussion comes to you, how do you feel about that?

[01:03:37] You don't need to answer that now. My point is there are a number of assets that are going to trade. We've seen some amazing, amazingly low trades recently. American Center in Tyson's Corner, and there's a couple others that come behind it, where you have, you know, 400,000 square feet of office sitting on a 1,000 car parking deck that traded for \$15 million, you know, 10 cents on the dollar, maybe?

[01:03:56] So, but we know it's a great location. We know it's a great, you know, place for that to be, but it needs to be something else. And so in those environments, and there are several others like it, you know, I would encourage, you know, I guess openness and creativity. And for clarity, I've read the Housing Task Force Action Plan.

[01:04:13] I like it. I participated in the survey, I need to do my part here, of course, and I think you're on the right track. I like a lot of the things I hear in there. I can tell you from working across the country, every locality works a little bit differently. We work with developers and EDA in a number of different states.

[01:04:30] I think there are some ideas that are working in other states right now that move things along a little more quickly. I think certainty and predictability, and we've probably heard that a couple times here, are paramount. When you're going to talk about institutional investors, that may be the most important thing.

[01:04:47] So they can put their money anywhere. But if they know that in Fairfax County, we can do, you know, 500 apartment units in this location, and we know that the process is going to take this long, and from first dollar in to delivery is this long, that's the type of certainty and predictability that institutional capital requires. And the people that can offer that, that's where the money will go. The good news is I really feel like we almost have a clean slate here, a blank slate. We're a great spot between infrastructure, roads, mass transit. You've got all the right pieces of the puzzle. But the question would be, how quickly can we move to

[01:05:22] unlock this sort of next phase of what Fairfax County can be? And so the other thing is, I always like to look at things through the lens of UX or user experience. And if anybody plays in the design space, it's a big part of it. You know, how do each of us experience this room in a different way. And so I do think when it comes to housing, and we need affordable, we need workforce, and we need market. We need just more housing. And I don't think anyone's going to push back on that.

[01:05:47] But I do think there might be some better ways to approach it. We see affordable housing working in some markets, and we see it not working in some markets. We see a lot of people putting a lot of effort into building an affordable building, only to find that it's not leasing up for some reason, right? And we think about workforce. I mean, Dr. Jones has 26,000 employees, many of whom do not live here that need a place to live.

[01:06:08] But quite frankly, my guess is also that the nurse that drove from West Virginia doesn't want to be in a 400-square-foot, not-so-attractive unit that happens to be in Fairfax County. That's not improving his or her life. So the unit size and what we're delivering as a product is as important, and I think we need to understand that because sometimes I think we're missing it.

[01:06:27] We think if we just throw units out there, we're solving the problem, and I think some places do it better than others, but we need to think of it from that standpoint because we want it to be durable. I personally believe in a mix of affordable workforce and market in the same asset. They tend to do very well. The economics tend to be more viable.

[01:06:44] And I think you can see more of those move forward. So just a quick thought there. And then as it relates to the Housing Tax Force Action Plan, again, I commend you on the work. I like what I see in there. I did see the word predictability, which might be one of my favorite words as a developer and investor.

[01:07:01] So thank you for putting that in there a couple of times. I saw speed of review and expansion of buy-write pathways and zoning, which is also important. The idea of form-based codes and things that provide predictability and a path through. It's not about cutting corners. It's about doing it right, but it's about setting a game plan and rules that if we follow them, we can get to a certain point.

[01:07:22] And with the current cost of capital, it's so critical to get this right, and you can really unlock a lot of development. Now, not for today, but I'm always happy to have the discussion because we work in markets across the country. And there's a lot of interesting things that happen in other markets from EDA and other perspectives, permit concierges and things of this nature that really help things rip through. But I would also say it's good to look at what others do, because if there's best practices you can employ, great. But I would challenge you to lead. Do something different. Do something better that's not being done across the country right now, because you've got the best whiteboard right now to make a game plan. I mean, better than almost any other place in terms of delivering here.

[01:08:02] So break a few eggs. Like, let's go. You can do this. And honestly, you've got the best place to do it, because I know this is an institutional market that will be successful. Plenty more to talk about. Let me stop. Happy to take questions. And I'm always happy to have a chat somewhere else for coffee. Thank you, Rob and Barry. And I'm into breaking some eggs, so good.

[01:08:20] Chairman. Having broken some eggs already. First, I got to tell you, first, Barry and Rob, both, this is confirmation. of so many things that we are doing and you know you've read the initiative first you

know the work that the Jennifer Miller is putting into it is huge I will say that you know one of the things that you know I've championed and that we need to be very aggressive on is standing up our real estate team to assess those 10 percent of office buildings out there that we know are never going

[01:08:54] going to be filled again. Because while it may be an institutional capital thing, for us, those buildings that are sitting out there are depressing our market. And that depresses our revenues. And that depresses our ability to provide services for people in the county. And so it is absolutely a county issue to help people and confront them and clear out that inventory that we know is never going to be occupied again. And so definitely look forward to working with you and others with that team stood up to be aggressive in that space because it may not be, as you mentioned, it may not be a conversion candidate.

[01:09:32] It may just be a straight-up or redevelopment candidate, and we need to focus not just on conversions but just on redevelopment opportunities where they exist, and, you know, frankly, as you both said it and said it so well, what we're about, too, is creating communities where people actually want to be in the office, and that is difficult, and I'd venture a guess to say that 10% of buildings are almost exclusively in areas that are not walkable, don't have transit, don't have vibrant communities around them, don't have housing close by that matches all the criteria you just mentioned that, you know, from apartments to towns to single

[01:10:09] family and everything in between, even 50 plus communities in a lot of cases where people are working for decades. And so we're all in on doing that. And this was a confirmation of the work that we're doing. And as I've said to so many people, and I hope folks from Richmond are listening, frankly, because to characterize our market as anything other than an enormous opportunity.

[01:10:33] When you say 21 of 81, we want to be one of 81. But let's focus on 21 of 81 for the moment because there are few places in the country that have been more impacted by what's happening at the federal level than we have been. And taking those stabs and still being 21 of 81 is something to build off of, not to get depressed over.

[01:10:53] And so I really appreciated the presentation. I appreciate the tie to what we are doing here as a county, because what we're going to not stop doing is thinking creatively about these opportunities. And this housing issue, as you acknowledge, is nationwide. There's no dispute that this is a problem everywhere in the country.

[01:11:11] The question is, which communities are going to address it and address it quickly enough to make sure that those graduates that just walked across that FCPS stage that we have a major investment in stay here instead of going to one of those other markets.

[01:11:26] And that is not a concept that is lost on me for a single moment of a single day. And that is a pure economic, but it's also just a moral imperative that we have. We raise these kids, if they're going to stay in our market, it doesn't matter how many jobs are out there for them. What matters is, are they going to be able to afford to live here and find housing or not?

[01:11:46] And that, at the end of the day, has to drive all of our decisions. So thank you both. Thank you. Thank you, Mr. Chairman. And we all recognize that the state has lots of money for green fields. They spend a lot of money helping get new development around the state. Well, we need a little bit of help here to develop, maybe repurpose some of our quote-unquote brownfields, but really the opportunities that we know are rich, and we start with that 10%.

[01:12:08] So other community members first. I know I have a couple board members. Any community members with questions? Yes. So I'm just curious. So our office is in Herndon, and all the buildings around us are bought by data centers now. And we are the last building standing.

[01:12:25] I think everybody has been sold to data centers. and I know Loudoun County, all the office buildings, a lot of them are being turned into data centers. So do you think this is a consequence of COVID and the work from home and just, or do you think this is a threat or to what we're trying to do here, or will it be a trend that continues? What are your thoughts on that? I mean, personally, I don't see that as an outgrowth of COVID or the office market. I see that as an outgrowth of the need for data centers.

[01:12:54] And we know what's happening with AI and the, you know, the server capacity that's required for that. I mean, that's really what's driving that. Obviously, we have power issues that are now limiting our ability to do that, and then the ugliness issues that are limiting the desire for more of those. But I think that has very little to do with kind of what is happening in the office market. Okay. Yes, sir. Thank you. Just on the data issue again, data center issue, you talked about how difficult it is to transition some of these office buildings to residential. Is there,

[01:13:33] I mean, there's five main Frontier AI labs. In the end, there won't be five because if you use ChatGPT, you don't use Gemini. If you use Gemini, you don't need to use Claude. If you use Claude, you don't need to use XAI. So what do you transition a data center to?

[01:13:54] It's a really good question, and there's a lot of them coming across the country. I think, you know, I don't know if it will be at the scale, and I don't know if you'll lose some of the ones in this market. But, I mean, the facilities themselves don't lend themselves to many other things other than perhaps industrial, right?

[01:14:10] Now, if we think about the industrial market, it's not as large, although right now from an institutional investment perspective, it's actually quite good. Very durable, the rents are up. There's a lot of last mile things, and many of you probably follow what's happening at Dulce Airport right now. EMMA has an RFP out now for P3 cargo, which I think could be actually very, very impactful for the county.

[01:14:31] They're going to relocate the first six buildings that are there. It's an enabling project initially for what's going to happen for the new airport build. But when they move those cargo facilities, they'll have the ability to build some more cargo space there. And what people don't realize about Dulles Airport as it relates to cargo, and this is kind of a long answer to your question, but why I do think there's some industrial value here is that the number of empty bellies, as they're called, of planes coming in out of Dulles is tremendous.

[01:14:57] And if you look at JFK, Philadelphia, and these other markets, it's not the case. And so that changes the economics for the airlines, changes the economics for the airport. So there's a significant opportunity there. And then if you add in the other piece that could be a possibility is pharma and lab, okay?

[01:15:14] So we see AstraZeneca, Lilly, a lot of these folks are coming here on shoring manufacturing facilities. You know, those are places that could actually be converted for a lot of them. And that also ties into the cargo piece because one of the things we get at Dulles in large volume are APIs, advanced pharmaceutical ingredients flying here from other countries once they're here they have to be shipped somewhere in a hyper cold storage like FDA Certified vehicles and we don't have those facilities in Virginia

So they land at Dulles and they go somewhere else and then they go to a manufacturing facility for use So now when after Zeneca builds and really hopefully some of those facilities come along but I would think you could eventually alter some of the the

[01:15:54] Ecosystem around Dulles Airport for industrial cargo and and pharma. That's kind of where my head would be as a developer Thank you. I had Supervisor Palachuk and then other community questions Thank you, mr. Chairman. Thank you, Robin Barry good to meet you Barry Rob We've had great conversations and even better today So my first question is are you willing to serve on our economic development Authority board?

[01:16:18] I'm happy to talk about that not sure what that entails, but if I can help if I can help I'm happy to help Thank you. No, you know, you brought up Tyson's and I think it's important. And this to me is a question for all of us and you to look at here is we do. We have triplexes coming to the borough. We have hopefully the mile, which is farther from Metro coming.

[01:16:39] So I do think we need to be careful, right, of saying nothing's ever going to be viable close to metro, right? I do think we need to protect the transit-oriented development as we look at areas more on the edge, which we're looking at.

[01:16:56] And I guess my question for you is, how do we look? We have very different – we have nine different districts. Even within my own district, I have very urban areas and much less urban areas, no rural. But how do you recommend we look at what are some of the strategies and innovations that can help?

[01:17:18] So from our end, right, we can look at things. There was a great article in the Post or the Journal this morning about pre-approved plans and how well they're working, but meeting the existing community's fears, right?

[01:17:34] We do have those. there are people in our community who don't want more housing. So I will push back on that. Politically, there are people who will and do push back. Some of us continue to build it anyway. The flats at Tyson's next to Patsy's. Next to it, I've approved 1950 old courthouse.

[01:17:51] How do we look at each specific area? Because we have no greenfield, we can't have a one-size-fits-all, but we need innovations from our end as well as from industry to help us figure out how do we get to it more quickly? How do we create new products, right? And how do we have permitting that allows more products to be built that make sense in a community? So I don't know if you've looked further into sort of what's in between our end and your end to make it move more quickly.

[01:18:21] So it's a good question. Let me see if I can throw a couple things at it. Number one, I think you're right. The resident impact and the environment in neighborhoods is always important. There's always a little bit of a NIMBY component. I think a lot of that can be different everywhere.

[01:18:37] Some people just want what they have. Some people have concerns about affordable housing in their neighborhood. You know, there's a number of things like that. Some of that can be messaging and better delivery. Some of it, you know, may need some other solutions. One of the things I think of when I look at markets and I look at aerials and land and localities from a development standpoint is, you know, you generally have a locality and we put this zoning in place and we say, here's the future and here's what we think should go there next. And we want it to be walkable. And here's what we think that means. You know, I would almost look at opportunities for the private sector and almost put the message out

[01:19:12] there and not only go too far with this to say, come to us with an idea. Because the reality is people that need to do this and are going to risk funds and institutional investors that want to participate are going to know what they think might work. And a lot of it has to do with the end user and what they think is really going to be viable there. So you may have drawn an amazing plan for a certain area, but it may not really be viable through the lens of actual end users, residents, office workers, and the investors. And so you can have a beautiful plan that sounds great, or there might be something else that could be much more innovative that's driven from the private sector. And look, you might get something you say, absolutely not, that's just not going to

[01:19:52] work. But there might be some meeting of the minds there because no one's going to bring something to you that they don't think has a user, has a viable income stream, and can be delivered and invested. I'm bringing you to all my committee meetings because that's what I say. But they don't believe us that planning only gets you so far. It's true. It's true. And, you know, a number of people in planning absolutely know what they're doing and are in the market. And some have great ideas but haven't actually had to take that risk financially. And so I think if you bring those people to the table, and almost to a point where you could have some test pockets and say, look, there's no zoning here. There's none. Come tell us what you would do here if we let you use this land and why does

[01:20:30] it benefit us and why would it be good for us from a tax basis and for the community? And so the only reason I want to, I think that's important is because I just heard last week people are pointing to Montgomery County and things that are changing there. And I'm not surprised when I heard, oh, it got approved in three months, but now they're in court, right? So I don't want to get stuck in court either. So I do think we have to think very thoughtfully about what is the end user, How do we go through that process in a way that's speedy but doesn't have backlash that's too hard to deal with?

[01:21:01] Yeah, so I was just going to add real quickly, we are not developers at Silverline. I've worked for developers in the past, and I happened to be listening to a panel of developers a couple weeks ago. And the term that they used was flexible consistency. So it has a lot to do with predictability.

[01:21:19] So just having a little bit of flexibility, to Rob's point, that, you know, be able – I didn't come up with it, so steal away. But I liked – I was wondering whether it should be consistent flexibility or flexible consistency, but I like flexible consistency.

[01:21:36] So – and just being able to adapt and, you know, being able to kind of respond to what things that the private sector is bringing to the table. Thank you. I'm looking for other committee members with questions, and I have Supervisor Lusk as well wants to ask a question.

[01:21:54] Yes, sir. Thank you very much. I'll start by saying I really appreciate the way you helped kind of synthesize and explain what's happening in our office market, both on the relet side as well as the build-the-suit side. And I think we need to kind of package that and share it with our communities because a lot of folks don't understand what's happening.

[01:22:17] They look at the office buildings, and they're like, they're empty. Why aren't there tenants going into that space? And what you've expressed here explains why there isn't. And then second, I'll say, having spent 21 years in the American Center Building when I worked at the Economic Development Authority, it's hard to believe that it's sold for that price, \$15 million.

[01:22:40] That's unbelievable. So it does tell us what the situation is with office properties here in Fairfax County and specifically in Tyson's Corner. So there's a question I do want to ask, and that is, Mr. Ward, you expressed that we're on the right track.

[01:23:01] You also expressed that there are other states that are doing the things that are working very effectively. It would be helpful for us to know who those other states are and what is it that they're doing effectively because it's going to help us, I think, understand what things we might want to consider incorporating here in Fairfax County.

[01:23:26] So I hope you'll be able to share some of those thoughts with us as well. Sure. I'd be happy to do that and, you know, sit down over coffee and give you some more ideas. But, you know, generally it's along the same lines. I don't see anything that's wildly different than some of the things you propose in the task force action plan. In some cases, they're perhaps a little more nimble.

[01:23:43] Like I said, there are localities that have basically an entitlement czar, for lack of a better term, and they're offering a permit concierge if you come there, and they'll walk you through and you've got responses in five days or seven days. And as long as you do this, they will do that, and you have a person with the authority or people with the authority to do that.

[01:24:02] And they're also culturally motivated within that government entity to do that. They see the outcome. It's not about no. It's about finding a way to yes, and I believe it's in the – you guys have referenced that same concept. So there are some, you know, interesting tactics around that, but a lot of it's more about the real implementation of it and then the messaging around it so that the development community believes it and they understand what's available to them and that interaction becomes a good one.

[01:24:26] Because if you say that, but then it actually doesn't happen, then people say, oh, that's kind of the same old thing. They just put a different wrapper on it. So it's really about kind of that level of engagement. One other side note about American Center and deals like that. I mean, tremendous opportunity, stunning that that would trade for such a low number.

[01:24:42] But the opportunity I see there and with other office projects is parking. One of the biggest challenges we have is parking. And parking is maybe one of the most expensive things to build. So when you have an asset like that that trades for a low replacement cost land value but has a 1,000-car parking structure in place, that's a pretty special opportunity.

[01:25:03] And there are others like that where the ability to redevelop that and to make some things happen around it because of the parking they have, there's a huge opportunity there. And I see a few of those coming down the pike, too. Thank you. Thank you. We have a lightning round.

[01:25:19] One or two quick questions, no comments. Anybody, whether for Dr. Jones or our other panelists, anybody have anything in particular that they wanted to make sure got asked? I'll ask a question. Yes, sir. Yes, ma'am. We have time, right? Thanks very much.

[01:25:35] Really appreciate the conversation. I actually wanted to kind of talk a little bit about the innovation economy. So, you know, Dr. Jones, when we look at, we have in, just in Fairfax County at any given time, about 36,000 to 39,000 open jobs.

[01:25:53] Most of those are in the tech space. And when we look at where they are in the tech space, many of them are at ANOVA. So there's a huge part of the healthcare industry that's actually driving innovation. We also are so excited that one of the companies that we've worked with through the Fairfax Founders Fund actually got their start through an AI pilot at Innova.

[01:26:16] So I'm curious, kind of in two fronts, one, how can, I mean, some of our companies here maybe work with Innova on those products, new innovations that maybe take a look at some of our small businesses, but also going to the real estate side, like what are we seeing as spin-outs or increase kind of on health care for office needs? And I think that's for all of you, if you're seeing anything there. I'll address the ANOVA part of it, which is that I very intentionally said, you know, our mission is to provide world-class health care. So one of

[01:26:53] the things that health systems across the country have done is getting distracted by trying to develop a whole bunch of drug products and all these different things. And that's not the mission of the organization. Now, having said that, working with partners where we see a path, we've put it there are governments that we talked about a moment earlier, then we would do that on occasion.

[01:27:11] We're unlikely to be that, you know, first place for many things, obviously a couple of exceptions, but by and large, unless it helped us provide better care, we in all likelihood would not engage it. So, and that's opposite a lot. A lot of the others are is that, oh, we can make money by doing that. We probably could, but we found that, you know, our revenue generation is by providing care and we're very good at it.

[01:27:35] And so it's going to be pretty uncommon with very direct improved patient care exceptions. Anything to add? Not really. I mean, what I was going to say is it takes a hub or a draw.

[01:27:51] And so obviously, Dr. Jones has articulated what their mission is, and that's not always part of it. Not to say there's not some ancillary component. That said, in this market, we do see good influx and the potential for folks in the tech space and obviously around health care with the number of entities we have here, that would make sense.

[01:28:08] I personally haven't seen it as a massive trend, but it's certainly worth looking at. And then the other thing that just popped in my mind around that is, you know, these are people, especially if you talk about laboratory folks or defense people working in SCIFs and things of this nature, it is important to consider the people that must be in an office.

[01:28:28] You can't work in a SCIF from home. You can't do lab experiments from home, right? And so when we start to think about some of the different businesses and things that rely on that and work in our community, you know, we should think about that in terms of, not incentives, but targeting them and making sure we're creating environments for them because you know they're going to be in the office every day and you know what happens around there will be good every day.

[01:28:51] A little off topic, but related to the innovation economy are autonomous vehicles, which I think are going to change a lot about how office buildings and parking is dealt with everywhere. So not completely the question that you were asking about, but I think it's worth, you know, at least raising as an issue.

[01:29:10] I think, you know, people won't need parking spaces in 10 years, perhaps. It may be a foolish add-on, but I'm going to add it. It's also the flying vehicles that we need to. They're piloting those in 2028 in

L.A. for the Olympics, and Dubai has been using them.

[01:29:29] So it's making parking garages actually maybe obsolete in the future, too. So it's a lot of excitement to look forward to. Just at risk of throwing controversy on a very good meeting, I'm going to bypass that because I'm going to say the one thing we haven't talked about here, we have all these great ideas, we're positioned well, we have to have the political will to not do what the loudest people next door to a proposed development is saying, but to think about what is this county going to look like in 10, 15, 20 years from now?

[01:30:02] Are we representing all the people in our community, including the kids who just graduated looking for housing? Or are we representing only a couple loud people who are next door to one of the proposed developments? And if we're going to think differently, we also have to hold ourselves accountable to have the political willpower to position the county for the next couple decades, not the next couple years.

[01:30:24] And I'll just put that out there as a statement because it's important. And I think one of the things you'll see in other areas is they can have institutional things like czars and all these things. And we can do everything that's in the blueprint that we have for economic development and housing.

[01:30:42] But at the end of the day, we have to stand by the words that are in there and do what they say. Thank you. And with that, we probably need to move on. We have another meeting on here. And I just want to remind everybody that this information, the presentation, discussions were part of what's on our website, Pregnancy County's website.

[01:31:04] Please take a look at it. We also wanted to thank Dr. Jones, Barry Bass, and Rob Ward for their presentations and conversations, very stimulating conversations today. Thank you all very much. And we will put together information about this meeting. There will be notes from this meeting, so you can go back and take a look at that.

[01:31:19] The team is really conversation here, the discussion points, how we bring all these things together, or what we're all about. this committee is truly your way of sharing with us what we need to be doing as well as what maybe we are doing. So, and Dr. Reed, I'll give you the last word. Well, I just was sharing with Jennifer that one of the things I've been working with our cabinet on most recently is there's a Navajo saying that every decision is filtered by what's best seven generations out. And when I think about that, sometimes we make better decisions. And to the chairman's point, we have to have the will

[01:31:56] to know that the decisions we do make, those seven generations from now will sit back. I mean, history is going to look back on how we process that. So seven generations. Thank you all.



Coraggio Consulting · aguyonx.com