

Innsbrook developer seeks rezoning to allow urban mixed-use

BY LUZ LAZO - PUBLISHED: July 11, 2011

Innsbrook's transition from an office park to an urban mixed-use community with high-rise buildings could start as early as next year.

Highwoods Properties, the owner of about one-third of Innsbrook Corporate Center, is asking the county to rezone 188 acres to allow urban mixed-use development, including buildings up to 250 feet in height.

The request follows Henrico County's decision last September to designate 1,351 acres in western Henrico, including the office park and surrounding areas, for urban mixed-use and traditional neighborhood residential.

Henrico supports turning what is now primarily an office park into a walkable community with a mixture of office, retail, entertainment and residential uses. The county set guidelines for the planned transformation of the area in a county-approved Innsbrook Area Study conducted last year.

Highwoods' plan calls for an additional 3.5 million square feet of office space, 415,000 square feet of retail and restaurant space, up to 1,000 hotel rooms and 6,000 apartments and residential condominiums. It fits the concept the county wants to pursue, county officials say.

"It is consistent with the overall vision set forth by the county," Planning Director R. Joseph Emerson Jr. said. "There are a lot of details and items that have to be ironed out and considered in order to finalize the package. ... But overall the concepts as presented are consistent with the vision of the Innsbrook area plan."

The Planning Department is reviewing the application, submitted last month, and seeking input from other county departments and agencies to determine what impact the development would have on county services, Deputy County Manager Randy Silber said.

The department will make a recommendation, and the application could be considered by the county's Planning Commission as early as next month, Silber said.

The commission will then make its recommendation to the Board of Supervisors, which will make the final decision. The process will include public hearings.

"Since we have been through the land-use plan amendment process, a lot of the uncertainties of what this is all about have sort of been addressed," Silber said. "Innsbrook is a suburban office park, and they are looking to intensify that by taking a lot of the areas that are sort of underutilized ... and creating a more urban setting with different forms of uses and space."

Highwoods currently manages 1.7 million square feet of office space in the 188 acres it is seeking to rezone. None of that property is being used for retail or residential.

The park, which was started in the late 1970s, is considered an economic engine for Henrico and the second-largest work center in the region after downtown Richmond. It has 5.8 million square feet of office space, a little more than 1,000 hotel rooms and 90,000 square feet of commercial and retail space in the edges, particularly toward the Broad Street entrance.

Highwoods Vice President Paul W. Kreckman said the plan presented to the county consists of a 20-year development period and envisions attracting and retaining industries new to the area and creating a community where people can work, live and play.

The project would be conducted in phases, with the first phase targeting the building of 1,318 residential units, 440,570 square feet of office space, 115,000 square feet of retail and 115,000 square feet of hotel space.

The retail component could include small community stores, restaurants, a pharmacy and a small grocery.

Kreckman said the lower development would face the park's surrounding neighborhoods and the high-rises would be toward the middle and edging Interstate 64, in accordance with county guidelines set in the Innsbrook Area Study.

If the request to build buildings with heights of up to 250 feet is approved, Highwoods could build office towers up to 16 floors, though Kreckman said they are considering buildings in the 12-story range.

Currently, West Broad Village, the 115-acre mixed-use development in Short Pump, is the only development in the county with permits to develop buildings up to 13 floors.

The Raleigh, N.C.-based company is the first to submit a rezoning request in the Innsbrook area designated for urban mixed-use. Company and county officials say they expect others will follow.

"We are very encouraged by Highwoods' interest in pursuing this," Emerson said.

The plan has potential fiscal benefits to Henrico. A study by Chmura Economic and Analytics for Highwoods says construction alone is estimated at \$2.4 billion and that the net fiscal benefit in revenues to Henrico would be projected at \$21.2 million annually after build-out.

The study also projects 1,302 jobs created annually during the 20-year construction period and more than 14,600 new permanent jobs in the development when the project is completed.

"As we are all living through this recessionary or post-recessionary times, the fact that Highwoods is bullish enough about Innsbrook and Henrico County and future development to invest significant capital in setting the stage for development with actual users who are pressing them to get going, I think it is a huge economic development story for the region," said James W. Theobald, an attorney with Hirschler Fleisher, which represents the company.

Kreckman said developers are lining up to invest in the construction at the site and that some companies have approached Highwoods with interest to move into Innsbrook.

"We have come as far as we can as a suburban office park," said Kreckman, who also serves as president of the Innsbrook Owners Association. "We are very proud of it, it is beautiful, it is great. But you can't stay here, you got to move on."

"We have within this area all the ingredients to take what we have and move to the next level — why not?"