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Winning bidder emerges for Alexandria's empty Victory Center

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Stonebridge Associates has reached a deal to acquire Victory Center in Alexandria for an undisclosed price with the aim of bringing new life to the long-dormant property.

The Bethesda-based developer hopes to do what the building's current owners have been unable to for about 16 years: land a rent-paying office tenant. The property at 5001 Eisenhower Ave., which has been vacant since the Army Materiel Command relocated in 2003 to Fort Belvoir, is assessed at \$70.9 million, according to Alexandria assessment data. Stonebridge is slated to close on its acquisition in late May.

Stonebridge plans to aggressively court new office tenants, including the General Services Administration and other federal agencies. The 16-acre property has additional development potential, and Stonebridge Principal Doug Firstenberg said he is exploring uses to drive additional office leasing at the site. As to why Stonebridge might succeed when prior efforts have come up empty?

"Just bringing a fresh perspective, some different ideas on how to approach the site so you position it in a different way, and I think our ability to work with the GSA has been very successful," Firstenberg said.

Stonebridge plans to brand the building, located half a mile from the Van Dorn Metro station, by its address rather than as Victory Center. It will retain Cushman & Wakefield and federal leasing expert Darian LeBlanc, who has helped the developer land big GSA deals including the Department of Justice, to market the space to prospective federal tenants. It is also working



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Victory Center on Eisenhower Avenue in Alexandria will be rebranded to its address once it sells to Stonebridge Associates.

actively with the city to explore what entitlements will be needed to allow for additional development, potentially to include residential and retail.

"We're looking at trying to do some residential to bring some more vitality to the site. We're looking at different options," he said. "We think some townhouse development with increasing density as you go from east to west could make a lot of sense."

Stonebridge emerged as the winning bidder for the 606,921-square-foot office building after its current owner, an affiliate of PGIM Real Estate, retained Cushman & Wakefield about a year ago to market the site to interested buyers.

Landing new tenants won't be an easy task, if past history is any judge. PGIM missed out on several big prospects over the years, including the Drug Enforcement Administration and Transportation Security Administration headquarters, despite completing a \$60 million renovation meant to court other security-conscious agency tenants.

Stonebridge, known until recently as StonebridgeCarras, is familiar with the lay of the land in Alexandria. It has two other projects in the city, including Oakville Triangle, to be the future home for Virginia Tech's planned innovation campus, and its 1 million-square-foot mixed-use development at Hoffman Town Center, to be anchored by a Wegmans grocery store.

Alexandria has had its sights fixed on the 11-story building for some time as it grapples with an elevated vacancy rate in parts of the city including the Eisenhower Avenue corridor. Other property owners including the Boundary Cos. are closely watching what happens at 5001 Eisenhower Ave. with the hope the site could spark a larger revitalization.

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