

WASHINGTON BUSINESS JOURNAL

As Victory Center goes, so goes the neighborhood

Apr 10, 2019, 6:06pm EDT

Alexandria officials and nearby property owners are hopeful the pending sale of Victory Center will set the stage for a larger revitalization of the city's Eisenhower Avenue corridor.

The 606,921-square-foot building is a half-mile from the Van Dorn Metro station, in a part of the city long eyed for job-creating office uses.

Alexandria Mayor Justin Wilson said he is encouraged that Stonebridge Associates will pursue prospective tenants including federal agencies rather than moving to repurpose or redevelop the building for other uses.

"Just getting that property back to productive use has been a significant priority for the city for a while. It's a significant portion of our vacant real estate," Alexandria Mayor Justin Wilson said. "I think it's a really important property for us. It's one that's had some bad luck over the years."

In 2017, Colliers reported Victory Center accounted for 18 percent of Alexandria's overall vacant office space.

The building at 5001 Eisenhower Ave. has been a proverbial white elephant for its current owner, an affiliate of PGIM Real Estate, missing out on multiple prospects since the Army Materiel Command moved out in 2003. That included winning the



DANIEL J. SERNOVITZ

Alexandria officials and property owners are hopeful Stonebridge Associates will draw new tenants to the long-vacant Victory Center.

competition for the Transportation Security Administration's headquarters only to have a federal judge void the deal in 2015.

Stonebridge, which is slated to close on its acquisition in late May for an undisclosed price, is pursuing additional development on other parts of the 16-acre property while seeking tenants for the existing building. That could include a mix of townhouses and retail space, uses Stonebridge Principal Doug Firstenberg hopes will make the office space more attractive to prospective users.

Stephanie Landrum, CEO of the Alexandria Economic Development Partnership, said Victory Center is a critical part of the city's Eisenhower West Small Area Plan for its potential to trigger additional development nearby. The partnership is supportive of additional uses at the site if that helps to drive office leasing at Victory Center, she said.

"Our ultimate goal is to get the existing building leased, and if creating more activity and vitality around the building helps with that, than the city is certainly open to talking about potential proposals," she said.

Among those waiting for such a catalyst is Boundary Cos. Founder John Wilkinson. His Chevy Chase-based development firm recently acquired the Atlantic Self Storage site across Eisenhower Avenue from Victory Center. It's Boundary's third acquisition in the market, and Wilkinson said he likes the fresh perspective Stonebridge could bring to the site.

"We feel lucky to have Stonebridge as a neighbor," Wilkinson said. "We certainly support their vision for residential and retail and agree that a mix of uses will bring energy to the area."

Daniel J. Sernovitz

Staff Reporter

Washington Business Journal

