

**LANDMARK TOWERS LLC
MANAGEMENT OFFICE:
101 S. WHITING STREET, SUITE 113
ALEXANDRIA, VA 22304
(703) 751-5100**

June 8, 2020

Ms. Helen McIlvaine
Director of Housing
City of Alexandria
421 King Street, Suite 215
Alexandria, VA 22314

Dear Ms. McIlvaine,

It was a pleasure meeting you in April and speaking with you again in early June. Thank you for your and the City's interest in Landmark Towers.

Landmark Towers, located at 101 South Whiting Street in West Alexandria (the "Property"), has provided workforce housing and affordable commercial space for small businesses and community focused non-profits since 1968. Shortly after the Property's development in 1964, the Gondor family purchased the building from the developer, and it has remained within the family since.

The Gondor Philosophy

Dr. Leslie P. Gondor and Dr. Magdolna Iranyi-Gondor were physicians providing primary medical care for working class families (general medicine and pediatrics) in Alexandria for 50 years, establishing the Bradlee Family Medical Center in 1964 and purchasing Landmark Towers in 1968. Their philosophy in medical care and real estate was the same: provide affordable, available, and dignified services to people of all socioeconomic levels in the community.

Dr. Gondor and Dr. Iranyi-Gondor passed away in 2009 and 2014, respectively, and Landmark Towers is currently owned by a family partnership whose majority member is a family trust overseen by me, their daughter, Cecilia Gondor (the "Transition"). The family intends to keep the asset for the long term with a focus on continuing the tradition of providing workforce-affordable pricing for both residential and commercial needs.

Revitalization of Landmark Towers

Since the Transition, the Gondors have hired highly specialized consultants who focus on maintaining workforce affordability while bringing buildings to modern day efficiency, safety and comfort. In West Alexandria, most legacy buildings that provided workforce housing solutions have been acquired by institutional/overseas investors and were converted to higher market-rate apartments. This has enabled the investors to justify the millions of dollars required in capital expenditures to maintain legacy buildings in the area.

Since the Transition a majority of the apartment units at Landmark Towers have been comprehensively renovated at an average cost of \$28,000 per unit. These improvements bring units to new-built luxury-finishes to enhance the dignity and comfort of the tenants that would otherwise not be afford in this area. Additionally, major infrastructure programs have been completed to enhance the efficiency, safety and comfort of the tenants.

The Gondors have focused on maintaining affordability at the Property while they continue to spend virtually all cash flow on future capital projects. As a result, the family does not have the capital to make all the necessary capital expenditures to achieve their goals in a timely fashion, given the below market cash flow produced.

While the Gondors continue to make improvements with cash flow over the long-term, several pressing projects need to be addressed in a condensed period of time; specifically, the conversion from an antiquated HVAC system to a modern efficient system and upgrading of the elevators.

HVAC System

The HVAC systems consist of two original boilers installed when the building was built in the early 1960's and a rooftop cooling tower system/basement chiller system that was upgraded approximately 10 years ago. The heating system, in particular, uses a very inefficient and highly unreliable methods of distribution of conditioned air. The existing two-pipe system only allows cooling to be active during the summer months and only heat during winter months. The system feeds water sourced perimeter units horizontally and vertically throughout the building and still uses the original 1960's era pipes which have frequent leaks, especially at the start of heating season (sometimes several a week) that typically impact multiple vertical units before being contained. The ability to replace/repair all of the piping while providing housing was explored but is not economically feasible. Additionally, it does not provide enhanced efficiency, safety and comfort to the tenants. Engineers at Engineering and Technical Consultants, Inc. ("ETC") have determined the best course of action is to eliminate the antiquated perimeter units and two-pipe system. Instead all HVAC systems will be upgraded to the most modern and efficient mini-split HVAC systems. Each room of the tenant's space will have separate zoned systems enabling individual room control with heat and cooling available at the tenant's discretion year-round. This should effectively eliminate the leak problems, dramatically increase comfort and dignity of the tenants and increase efficiency significantly.

Elevators

The elevator systems include three passenger elevators with two that service the whole building and one that services only the commercial floors (basement to 3rd floor). The two full-building elevator systems were upgraded roughly 15 years ago and are approaching their useful life. The commercial elevator has not been upgraded. Additionally, the Gondors would like to explore using cleaner interior cabs with enhanced security access to prevent commercial tenants from accessing the residential floors. Consultants are exploring increased airflow and fire life safety upgrades that would be implemented as part of the elevator modernization. A significant population of the tenants at the Property are older, some with disabilities, that make safe, modern and reliable elevators very important.

Estimated Costs

We anticipate the cost of the HVAC and elevator projects alone to be approximately \$4 million - \$4.5 million. Ownership is dedicated to moving forward with these improvements but are seeking \$2.5 million in financing to make these improvements a reality.

Attached to this letter are documents requested for the Housing Opportunities Fund Loan Application.

We feel very fortunate that we are in a city that is so supportive of local business. Thank you for your consideration and assistance during this process.

Sincerely,

Cecilia L. Gondor
Managing Member

PROJECT NARRATIVE

Description and Demographics

Landmark Towers, located on the corner of South Whiting Street and Stevenson Avenue in Alexandria's West End, is one of the few remaining workforce-focused, mixed-use buildings. DASH bus stations with immediate access to Duke Street and I-395 North and South provide reliable multimodal forms of transportation to and from the site. Further expansion of public transportation and future development to the south and north of the site is already in progress. This includes the eventual redevelopment of the Landmark Mall which is directly across Duke Street from the site.

Landmark Towers is a sixteen (16)-story, mixed-use residential building with several floors for retail, office and non-profit community engagement space. The 154-unit apartment building has a reinforced concrete superstructure and brick exterior. Unit mix is illustrated below:

Unit Type	No. of Units	Unit Sizes
Studio	66	552 sf
1 Bedroom 1 Bath	66	956-994 sf
1 Bedroom 2 Bath	22	1095 sf
Total	154	124,800 sf
Commercial Spaces	40	33,800 sf

Landmark Tower's resident base includes working or retired individuals and families making in between 70%-100% of the average median income (AMI). Commercial tenants consist of small businesses, retail, medical and counseling services as well as a charity-funded preschool (Child & Family Network Centers, CFNC) provides tuition-free preschool to 4-year-olds whose family incomes qualify. All have selected the building because they are budget conscious and serve the lower income members of our community.

Within a 1 mile radius of Landmark Towers, population and household growth are projected to increase by 5.3%, median household income is currently \$74,895 which is 17% lower than the 3 mile radius and shows the disparity within West Alexandria compared to the greater Alexandria area (according to CoStar Demographics). As more households move to West Alexandria over the next few years, community members are expected to continue to struggle to find affordable rental options that provide the modern, safe and efficient housing they require. Landmark Towers will be one of the few options for those not qualifying as LIHTC properties.

The current approximate Resident mix at Landmark are summarized as follows:

Income	Percentage
<80% AMI	55%
81%-90% AMI	35%
91%-100% AMI	10%

Demographic	Percentage
White	23%
African American	20%
Middle Eastern	19%
Hispanic	15%
Asian	13%
Other	10%

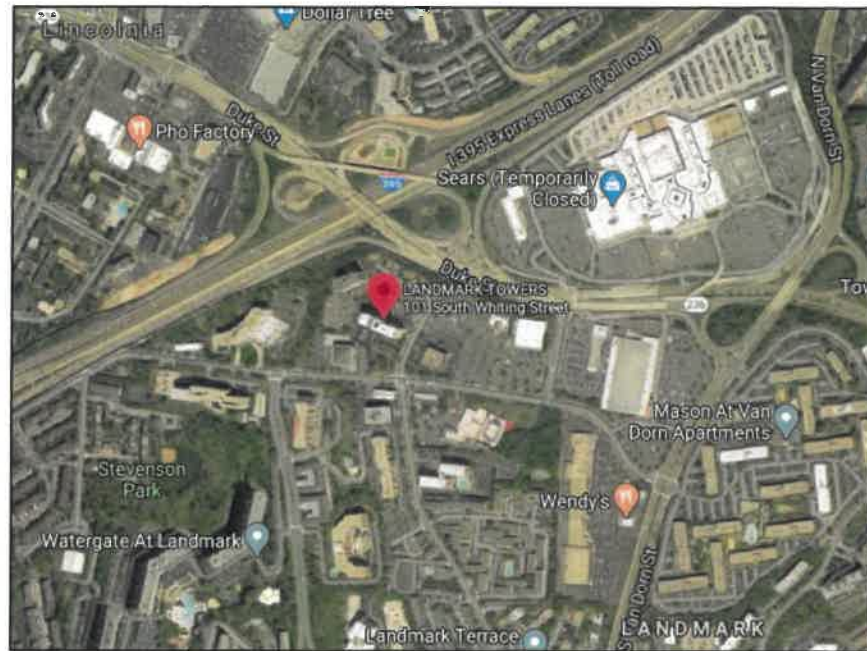
Age Group	Percentage
Families with children	14%
20-40	32%
41-60	27%
Over 60	27%

The diverse mix of cultures, races, ages and incomes at Landmark Towers sets it apart from most apartment buildings in Northern Virginia. In addition, a highly diverse staff reflects the background of the residents and includes Hispanic, Middle Eastern, African and African Americans.

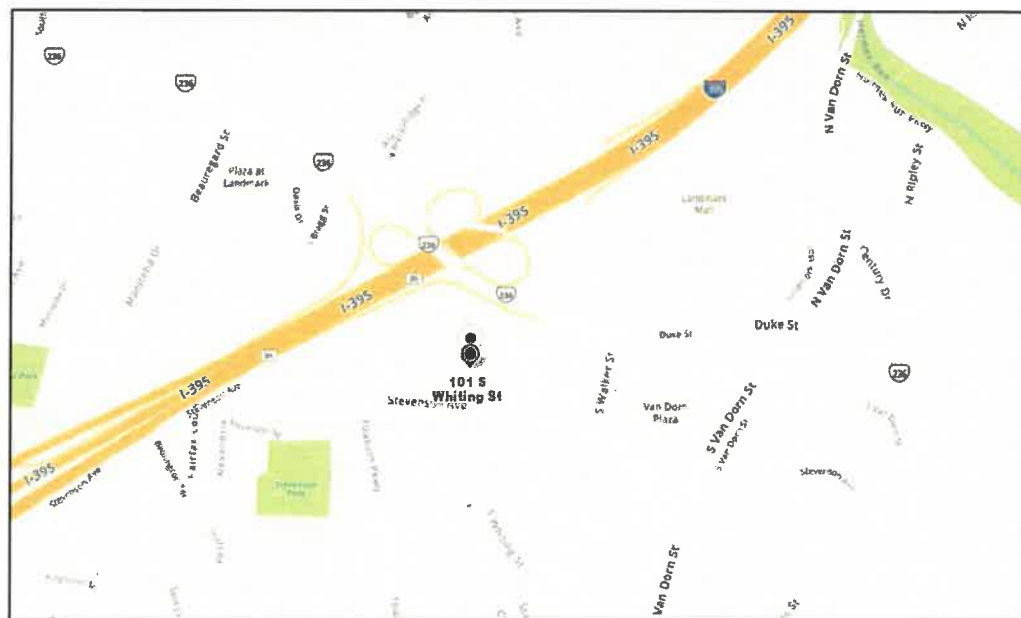
The Property is zoned CRMU/H and is in compliance with additional FAR available for development. At this time, Ownership does not intend to redevelop the site to maximize density as a way to maintain affordability for the community.

Location Map

Conveniently located minutes off I-395 via Duke Street, S. Van Dorn Street, Stevenson Avenue, S Whiting Street and Edsall Road, Landmark Tower's location is ideal for providing workforce housing to the community. The Van Dorn Street Metro stop is less than 2 miles south of Landmark Towers.



As the presence of major employers continues to expand in and around Alexandria, the need for high-quality workforce housing options will grow tremendously. The Amazon expansion into Crystal City has already caused many previously workforce-targeted buildings to sell or be converted into high-end luxury-apartments. The building is situated across from the former Landmark Mall site which will likely be redeveloped to a high-end mixed-use development requiring a direct labor force. Landmark Towers will be well positioned to provide afford housing to employees needed in the redeveloped site.



Photographs of the Landmark Towers



Site and Floor Plans

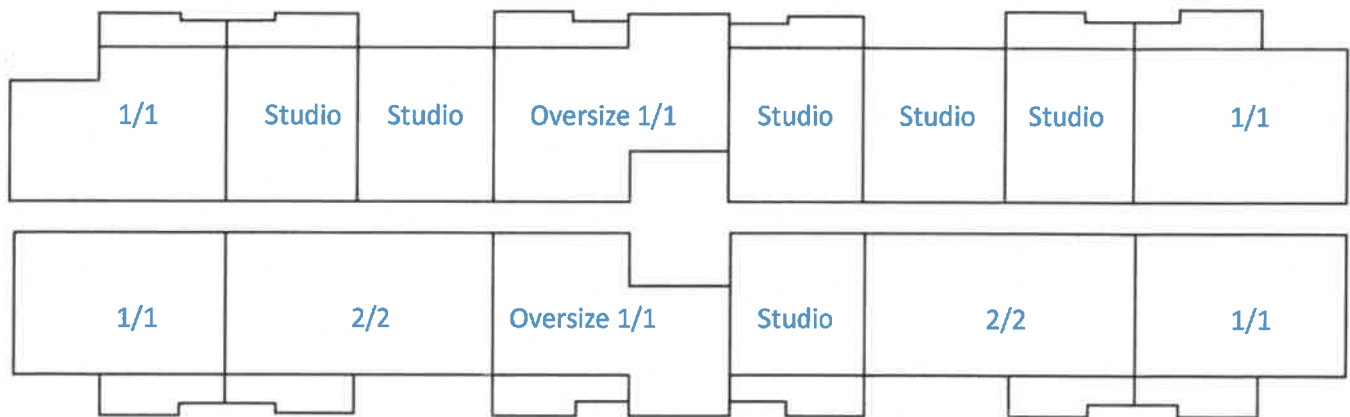
Site Plan Landmark Towers Typical Residential Floor

Each floor, 4th through 15th, has 14 Residential Apartments as follows:

2 Apartments/Floor – Two Bedroom, Two Bathrooms, Balcony

6 Apartments/Floor – One Bedroom, One Bath, Balcony

6 Apartments/Floor – Studio (4 with balconies, 2 without)

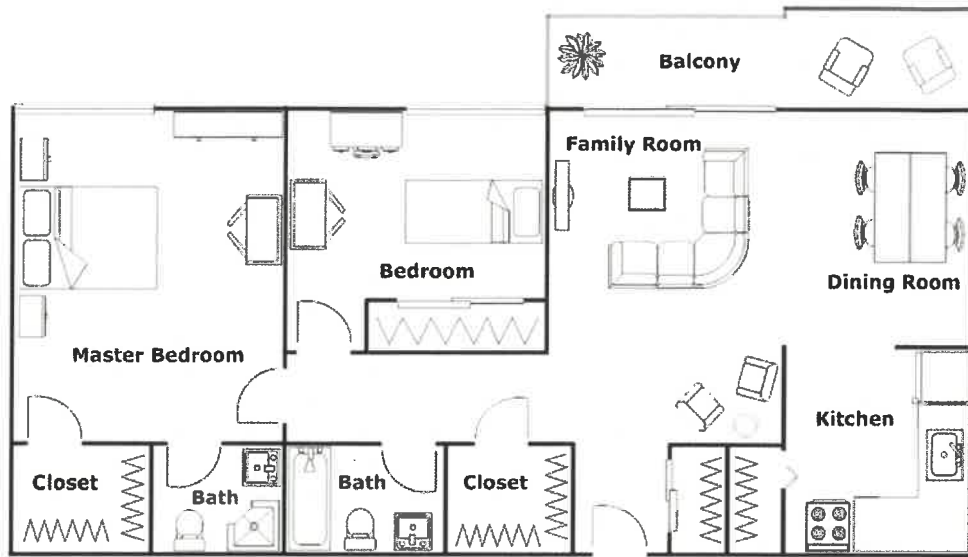


Typical Renovated Living Room of One and Two Bedroom Apartments

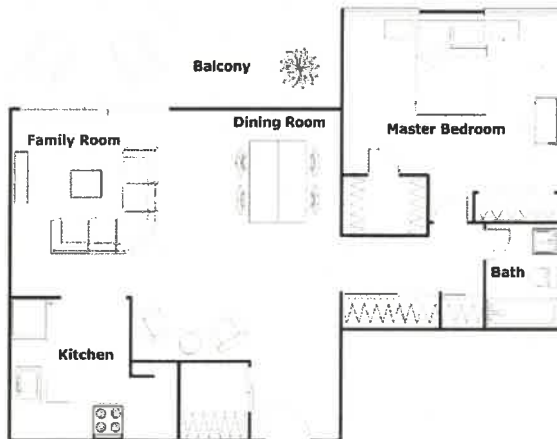


Apartment Floorplans

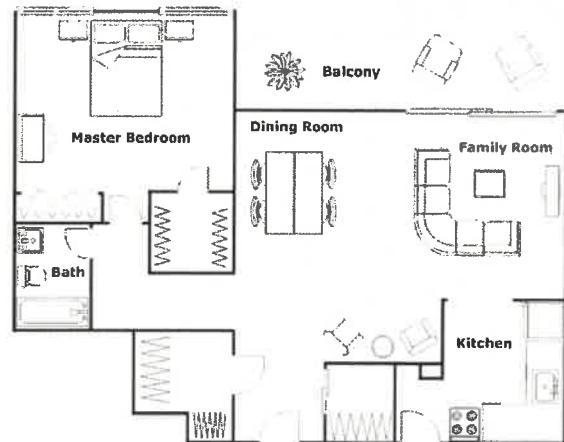
2 Bedroom/2 Bath/Balcony - 1095 sf



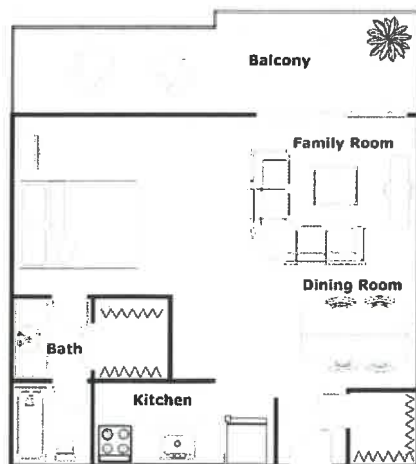
1 Bedroom/1 Bath/Balcony - 956 sf



Oversized 1 Bedroom/1 Bath/Balcony – 994 sf



Studio with Galley Kitchen - 552 sf



Studio with Breakfast Bar – 552 sf



Description of Renovation and Rehabilitation Conducted in Past Several Years

The following is a summary list of recent improvements made to the Property:

Project	Approx. Cost
• Repaired all domestic water headers and risers <i>ePipe, Capitol Boiler</i>	\$1,300,000
• Replaced all windows in apartments; window film lower floors <i>Aeroseal Windows and Storefronts, Atlantic Sun Control</i>	\$220,000
• Replaced all toilets with low-flush toilets <i>Water Management Inc.</i>	\$60,000
• Boiler and chiller overhauls <i>Capitol Boiler, Virginia Pump, ACI</i>	\$404,000
• Renovation of approx. 110 of the 154 apartment units <i>Potomac Valley Contractors</i>	\$3,000,000
• Replaced roof with TPO White (energy star) <i>Katchmark, DBS Roofing, Potomac Valley Contractors</i>	\$300,000
• Resurfacing of parking lots <i>Pavement Corp., Pothole Repair</i>	\$260,000
• Commercial floor restroom renovation and installation of ADA bathrooms and resident amenities <i>Potomac Valley Contractors</i>	\$200,000
• Hallway painting, carpet and remodeling <i>Potomac Valley Contractors, Arlandria Floors</i>	\$250,000
• Landscaping, walkway renovation, rebuild entrance canopies <i>Balfor, Potomac Valley Contractors, Carroll Awning</i>	\$300,000
• Playground (paid for by CFNC) <i>Playground Specialists, Inc.</i>	\$50,000

In progress:

• Exterior balcony repairs (in progress) <i>Potomac Valley Contractors</i>	\$200,000
• Exterior repairs and painting, lower floors <i>Potomac Valley Contractors</i>	\$50,000
• Renovation of remaining apartments <i>Potomac Valley Contractors</i>	\$1,200,000
• Valve replacement for risers <i>Capitol Boiler</i>	\$60,000
• New exterior signage <i>CatchySign, Inc.</i>	\$32,000

Remodeling of Apartment Units (additional pictures at <https://www.RentAtLandmkark.com>)

BEFORE	AFTER
 <p data-bbox="235 762 755 793">Unrenovated Kitchen (with new appliances)</p>	 <p data-bbox="987 762 1218 793">Renovated Kitchen</p>
 <p data-bbox="354 1239 630 1266">Unrenovated Bathroom</p>	 <p data-bbox="982 1239 1239 1266">Renovated Bathroom</p>
 <p data-bbox="354 1728 630 1755">Unrenovated Bedroom</p>	 <p data-bbox="982 1728 1230 1755">Renovated Bedroom</p>

Organization Structure

