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VIA FEDERAL EXPRESS

Jeff Harvey
Director, Department of Planning and Zoning
Stafford County
1300 Courthouse Road
Stafford, VA 22554

**Re: Medicorp Properties Inc.: Conditional Use Permit Amendment and Proffer
Amendment Applications – Stafford Hospital East Campus**

Dear Mr. Harvey:

We are writing on behalf of Medicorp Properties, Inc. (MPI) with respect to the above-referenced applications that are enclosed. This letter serves as an overview of these land use applications, each of which apply to planned development on the eastern portion of the Stafford Hospital campus.

MPI, an affiliate of Mary Washington Healthcare (“MWHC”), owns the entire 64.589 acre Stafford Hospital campus adjacent to Hospital Center Boulevard. When MPI developed Stafford Hospital, it reserved the “East Campus” (which is the roughly 20.626 acre site east of the Hospital and northeast of the intersection of Hospital Center Boulevard and Courthouse Road (State Route 630)) for future medical use expansion. However, despite several years of active marketing, no serious prospects ever materialized for the East Campus until CRAssociates, Inc. (“CRA”) approached MPI earlier this year. CRA is a federal contractor that develops and operates military healthcare facilities for the Department of Defense, and CRA has submitted a proposal to develop the East Campus as the site for a new state-of-the-art outpatient family health center for active duty and retired military personnel and their families.

MPI and CRA entered into a long-term ground lease for the East Campus in June, 2017. The ground lease and CRA’s development of the family health center is contingent upon two events: (i) final award of the federal contract to CRA to develop and operate the Facility, and (ii) land use and site plan approval from Stafford County.

As for the first contingency, CRA anticipates the federal government awarding the contract for the facility to CRA by the end of the year. However, it is possible the final award could be delayed by appeal into 2019, or if a competitor of CRA receives the award. In that case, MPI wants to ensure that enclosed applications do not limit or jeopardize future development opportunities for MPI on the East Campus, or otherwise require MPI to “unwind” these requested changes.

As for the second contingency, a conditional use permit, proffers, and a general development plan were approved for the entire Stafford Hospital campus in 2009. The East Campus was subdivided into ten pad sites and infrastructure was constructed according to a general development plan (“GDP”), including a roadway (George Washington Avenue) that was dedicated for public use. Therefore, in order for CRA to develop the Facility on the East Campus, much of this infrastructure needs to be removed, the public right-of-way over George Washington Avenue needs to be vacated, and the GDP needs to be revised. Additionally, the conditional use permit and proffers would also need to be amended. Several of the existing conditions conflict with the development of the family health center, while other conditions that have been satisfied can now be removed.

One factor that complicates this project is the timeline: if CRA is awarded the federal contract, we understand that the Facility will need to be constructed within ten (10) months and be operational within twelve (12) months, of the contract award according to federal requirements. This timeline would be aggressive under normal circumstances, but revising the conditional use permit, proffers, and GDP at that time would be problematic. MPI and CRA sincerely appreciate Stafford County’s willingness to work with MPI to address this timing issue during the review process.

Therefore, after several helpful discussions with you and others in the County, we have taken several steps to account for the timing issue. We have made several proffered conditions contingent upon the federal contract award, including development of the East Campus in accordance with the new GDP. Regarding a future traffic light at the intersection of Hospital Center Boulevard and Courthouse Road, we have reverted this proffer back to the existing proffer language if CRA is not awarded the federal contract. We removed references to the GDP from the continued use permit as suggested.

Enclosed with this letter are the following materials:

- Stafford County Conditional Use Permit application;
- a draft revised Conditional Use Permit for the Stafford Hospital campus;
- Stafford County Zoning Reclassification application;
- a draft revised Proffer Statement for the Stafford Hospital campus;
- Generalized Development Plan (12 copies on 24” x 36” paper) (in FedEx tube); and
- Boundary survey plat (3 copies each).

In connection with these materials, we have separately submitted an application for property tax exemption by designation to the Stafford County Commissioner of the Revenue for the East Campus.

We plan to submit the site plan application in accordance with the timeline proposed by Mike Smith. At some point within the next few months we will need to prepare documents to vacate the current subdivision plat for the East Campus along with the public right-of-way over George Washington Avenue, and prepare the new ingress/egress easement to Care Lane that benefits the adjoining County property, as noted in the enclosed GDP.

Thank you in advance for your consideration of these applications. In addition to Brian Jenkins who is identified as the primary contact person at MPI on the applications, please do not hesitate to contact me at 804-967-9604 or by email at mnewby@hdjn.com should you have any questions or if we

can provide any additional information or clarification. We look forward to working with Stafford County on these matters.

Sincerely,



Michael R. Newby,
Counsel to MPI & CRA

Enclosures: Conditional Use Permit Application
Draft Conditional Use Permit
Zoning Reclassification Application
Draft Proffer Statement
Generalized Development Plan
Boundary Survey Plat