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A Vigilant Voice on Tysons Legacy

Landowner Tells Officials That Purchasers Share His Vision

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One day last week, Gerald T. Halpin, the preeminent landowner in Tysons Corner and a driving force behind redeveloping the huge job center, showed up at the Fairfax County Government Center to deliver some unexpected news.

"Jerry said, 'We're turning over our property,' " Board of Supervisors Chairman Sharon Bulova (D) recalled. "He said, 'We're selling our property to the Pence family.' "

The Pence family is led by McLean developer Robert Pence, president of Pence-Friedel, which is best known for developing shopping centers and office buildings across the country, including the Dulles Expo & Conference Center in Chantilly. Pence wasn't at the meeting because he was in Italy, but Halpin introduced Bulova to Pence's two sons.

"It came as a surprise to me that he was selling because Jerry is such a major player in Tysons," Bulova said. "But he wanted me to know they were a very good family, with very deep roots in the community. I asked if they shared the same vision as he had for Tysons and he assured me that was the case."

Halpin's company, WestGroup, had plans to turn the 142 acres of mostly older office parks it owns in Tysons into a massive development with as much as 6 million square feet of office, residential and retail space in the coming decades. His \$1 billion project, which was scheduled for construction next year, was to coincide with the extension of Metrorail from Falls Church to Dulles International Airport and help transform the aging and traffic-clogged Tysons into a walkable urban center.

Halpin's selling the bulk of his portfolio means some of the brainpower behind transforming Tysons will be gone from the table, although the Pence family says it has no plans to change what is envisioned for Tysons.

"Jerry Halpin *is* Tysons Corner," said Bill Lecos, former president of the Fairfax County Chamber of Commerce. "He and a few others are the creators of Tysons. He's defined it for the last 40 years."

In the 1960s, Halpin and a group of scientists with whom he had worked started buying land that was once dairy farms in Tysons. He amassed 500 acres and built projects including two major pieces of Tysons Corner -- WestPark, outside the Capital Beltway, and WestGate, inside the Beltway. Over the years, Halpin sold many of his holdings and now is selling the last batch in Tysons to Pence -- except for the Freddie Mac campus, which he partially owns with the company.

Those close to Halpin, who was extremely hands-on with his Tysons developments, say he is selling because he will turn 87 in February and has focused more on philanthropic work after a recent health scare. None of his three children joined the family business. Halpin started looking for a buyer last summer and came to a deal with the Pence family. They knew each other because of their involvement with Wolf Trap. Halpin was not available to comment on the deal, according to Mark C. Lowham, a senior vice president at WestGroup.

Some in the real estate industry have questioned the timing of the sale in a down economy. Many commercial property owners across the country are carrying debt and have been forced to refinance or sell their holdings.

"He wouldn't be selling if he thought this was a bad deal," Lowham said. "He's very satisfied this is a fair transaction. With the good things about to happen in Tysons, you could argue this is the perfect time. If you give him credit for helping Metro get here, the hard work is done. Now it is a matter of building it."

Pence has a long history of property development. A Prince George's County native, he started in the 1970s working for Ted Lerner, the mega-developer in Tysons and White Flint mall. He started his own company in 1976 and has since developed more than 6 million square feet in hotels and retail projects in Stafford, Sterling and Leesburg. Pence, who is working on

getting a PhD in Italian from Yale, was out of town this week, helping chaperon 10 teenagers on a trip to Venice, Florence and Rome. Late Friday afternoon, he approved answers written in an e-mail by his son, Steve, after he received them by fax in Italy. Steve and another son, Geoff, run the company day-to-day.

In the deal with WestGroup, Pence is buying a portfolio that includes 28 office buildings totaling 2.2 million square feet. The deal is expected to be worth \$500 million to \$800 million, according to Greg Leisch of [Delta Associates](#), a real estate research company -- which could be one of the region's largest sales in recent years. But the sale price could be less, as the recession has dragged down real estate values. Neither WestGroup nor Pence would comment on the price.

"Tysons is the economic engine of Fairfax County," said Steve Pence in an e-mail. "The opportunity to acquire 142 acres in the heart of it is simply incredible. We have no doubt that Tysons is the very best place to be."

The Pence family will have to push forward with Halpin's expensive development at a time when the region and Tysons are struggling. The office vacancy rate in Tysons is reaching new highs at 15.9 percent, according to Cushman & Wakefield. In a sign of how bad the market is, one major office building under construction is expected to be done this year and it has yet to sign a lease with a major tenant. A roughly 300-unit condo building that opened last year is only 40 percent sold, according to local developers and brokers.

"Jerry has really put together a blueprint for us to follow," Bulova said. "He's leaving at a time when we've set the wheels in motion of having a comprehensive plan and vision that can be followed."