The Council Connection

your connection to City Council by: Mayor Justin M. Wilson

Alexandria, Virginia

April 1, 2020

In This Edition

Council Initiatives

Latest on COVID-19

<u>A Very Different</u> <u>Budget</u>

Potomac Yard Metro

2020 Census

Freedom House

<u>Housing For</u> <u>Alexandria's Future</u>

Host a Town Hall

Upcoming Issues: Inova HealthPlex & Landmark Mall Redevelopment

Quick Links

E-Mail Me

Past Newsletters

City of Alexandria Website

Pay City Taxes Online

Review Real Estate Assessments

Crime Mapping & Statistics

Alex 311 (Submit Service Requests to City Agencies)

Board & Commission Vacancies

Alexandria Health Department Restaurant Inspections

Report Potholes

Schedule Child Safety Seat Inspection Ordinarily, this is the busiest and one of the more enjoyable times of the year in our City.

The Council is typically in the home stretch for our budget process. The weather is usually quite nice. Our community is full of the type of events that bind us together as Alexandrians.

Yet, this is a year unlike any other. Our schools are closed. All community gatherings have been cancelled.

Our public interactions have been relegated to the virtual realm. One event after another has been cancelled or postponed.

There is a palpable sadness in our community and a longing for the return to "normal."

Our City is waging war with the COVID-19 virus that has caused havoc around the planet. Already, 44 of our fellow residents tested positive for the virus. Every resident is at risk. This will challenge every aspect of our community.

At a time of unique and unprecedented challenges, as a leader in this community, I feel an obligation to inform and attempt to find a way forward. It will not be easy. I do not know all of the answers, but I do know this:

- We have a while to go. Most projections show that the peak of infections in the Commonwealth of Virginia is still several weeks off.
- The lives of many members of our community depend on our ability to comply with the guidance





Smoke Detector Installation Request

Real Estate Tax Receipt Calculator

License Your Dog or Cat

Report a Street Light Outage

Events/Updates

Real Estate Assessment Appeals

Any appeal of 2020 Real Estate Assessments must be filed by June 1 for hearing by the Board of Equalization.

The <u>form is available</u> <u>online</u> and can be submitted by mail. of public health experts and <u>direction of our</u> <u>Governor</u> to stay home, distance ourselves and avoid transmitting or contracting this virus.

- Many of our fellow residents are facing sudden food insecurity, housing insecurity and unemployment or underemployment.
- Commerce in our City, particularly for our small businesses, has taken a body blow.
- Our City's finances will now suffer the most significant decline in our lifetimes.

But ultimately we will get through this challenge with the spirit that has made this community the great place it has been for hundreds of years.

The lone bright spot of this experience has been the irrepressible volunteerism and generosity of the residents of our City and the commitment, professionalism and bravery of the women and men who serve in our City government, our school system and our healthcare providers. We will follow them out of this crisis.

<u>Please continue to support the ACT Now COVID-19</u> <u>Response Fund</u>, which is <u>already distributing money</u> into our community to support the many needs this crisis has created.

The latest updates will continue to be posted regularly on the <u>City's Coronavirus website</u>.

Volunteers are needed throughout our community. <u>Please refer to Volunteer Alexandria for opportunities to</u> <u>give back to those in need.</u>

If you have any Personal Protective Equipment (PPE) that you can donate, <u>please submit information online</u>.

ACT For Alexandria has moved up their annual community giving campaign. <u>Spring2ACTion will now be</u> <u>held on Wednesday April 15th</u>. Last year, this campaign raised over \$2 million for the many non-profits that serve our City. This year the need is greater than ever. Please join me in giving.

Last month, my colleagues and I worked to propose a list of emergency actions to support our residents, our businesses and our municipal finances. This will only be the beginning of a long road back for our City.

Thursday evening, I will be hosting a live "Living Room" Town Hall using Facebook Live (you do not need to be a member to participate). Join us at 8 PM to learn the latest and ask questions.

Contact me anytime. Let me know how I can help.

Council Initiatives

The City Responds to COVID-19

If you have the symptoms of being infected with COVID-19, the Coronavirus, which include coughing, a fever of over 100.4 F and shortness of breath, please contact your primary care physician for information on an exam and testing. If your physician is not available or you do not have a primary care physician, an <u>urgent care center</u>, one of the <u>Inova Respiratory Health Centers</u>, or the Inova Alexandria Hospital Emergency Department can assist you.

If you have questions about the outbreak that cannot be answered by your physician, the Alexandria Health Department has set up a hotline staffed during business hours at 703-746-4988. Additionally, the <u>Virginia Department of Health</u> has a hotline at 877-ASK-VDH3.

On Monday, the Governor issued <u>Executive Order 55 which imposed</u> <u>a statewide "Stay at Home Order</u>."

This order limits travel from the home to specific exceptions for essential activities, bans public or private gatherings and closes some additional public places.

<u>Yesterday, I joined with my counterparts from throughout the region</u> in supporting this order and asking our residents to stay home to slow the spread of this virus.

This order remains in effect through June 10th.



The Alexandria Health Department is advising residents to practice social distancing by maintaining 6-feet of separation from any other person and <u>washing hands frequently with</u> <u>soap or hand sanitizer</u>. This is not only to protect your health, but to protect the health of others.

The City's Medical Reserve Corps is seeking volunteers, both with and without medical training, to assist during this crisis. You can sign-up on-line.

On the 14th of March, the <u>City Council ratified the City Manager's</u> declaration of a Local Emergency. This expands City Government capabilities to respond to this challenge.

<u>The Alexandria City Public Schools (ACPS) are closed</u> and will remain closed through the end of the school year.

ACPS has arranged food for ANY child 2-18 and ANY family who needs it. Food pick-up is available from a variety of locations around the City.

ACPS has set up "ACPS-At-Home" to provide details to students and families during this extended closure. Our educators are doing an amazing job continuing to teach our students during this closure.

Last month, <u>I sent a letter to all of the multi-family landlords in the</u> <u>City and asked that they be lenient on late rent payments and defer</u> <u>evictions during this time</u>. The impact of the on-going Virginia Judicial Emergency provides that evictions remain deferred until at least April 26th.

Additionally, <u>I joined with my counterparts in other Northern Virginia</u> jurisdictions to ask the Governor to delay evictions and implement flexibility into a variety of human service programs.

The City is working quickly to assist businesses that have been hard hit by this crisis.

Visit Alexandria launched "ALX At Home" to make it easier for

residents to support shopping at Alexandria businesses.

Last month, the Council approved a variety of business tax deferrals and fee waivers to assist businesses with cash flow challenges.

We have already suspended enforcement of a variety of regulations and laws to facilitate restaurant carry-out, delivery and hours, as well as sidewalk vending for restaurants and retailers.

We worked with businesses across the City to implement new



delivery and pick-up parking zones in front of their establishments.

<u>Yesterday, I sent a letter to Governor Northam</u> <u>requesting further regulatory changes to allow</u> <u>restaurants to offer carry-out of mixed beverages</u> <u>during this time.</u>

Additional financing and support options are being made available for small businesses throughout the City.

The recently enacted Federal legislation provides additional supports for businesses that may require assistance.

Effective last month, <u>Comcast is now providing free "Internet</u> <u>Essentials" service to low-income families for 60-days. Sign-up is</u> <u>available online</u>.

All of the utilities serving the City have suspended disconnects due to non-payment, including:

- <u>Alexandria Renew</u>
- Dominion Virginia Power
- <u>Virginia-American Water Company</u>
- Washington Gas
- <u>AT&T</u>
- Verizon
- <u>Comcast</u>

For those whose jobs have been impacted by the virus outbreak, details are available from the Virginia Employment Commission .

Inova Blood Services has significant need for blood donations during this time. Schedule a donation today.

Beginning today, DASH is running all service for free, with boarding occurring using the rear door.

Metro has also made significant reductions to service and is reserving the system for "essential trips only."

We have cancelled many city meetings and events.

All <u>activities and programs produced by the Alexandria Department</u> of Recreation, Parks & Cultural Activities have been <u>cancelled</u> through June 22nd. <u>Facilities, playgrounds, and fenced</u> <u>areas are closed</u>.

The Alexandria Library has closed all of its branches indefinitely.

Changes have been made to visitation and procedures at the Alexandria Jail by the Alexandria Sheriff's Office.

The City has suspended enforcement of a variety of parking regulations and rules.

The City has suspended yard waste collection, bulk waste collection, compost collection and mulch deliveries._

With a declared State Emergency declaration in effect, price gouging laws are in force right now across the Commonwealth. <u>Report</u> <u>suspected violations to the Virginia Attorney General's Office</u>.

Starting Over on the Budget

In February, the <u>City Manager presented his proposed Fiscal Year</u> <u>2021 Operating budget and the 10-year Capital Improvement</u> <u>Program for Fiscal Year 2021 - Fiscal Year 2030</u>. That was the beginning of the City's annual budget process.

Under ordinary circumstances, the City Council would be knee-deep in an extensive process of receiving public input on the proposed budget. The Council would be beginning to near consensus on a variety of core items in the budget as we sprinted towards budget adoption at the end of April.

Instead, we are starting over. Tonight, the City Manager will deliver revised revenue estimates that will reflect the impact of the COVID-19 outbreak on the City revenues and expenditures.

The carnage that the outbreak left on the City's current budget is sadly a preview for what is in store. With our current fiscal year ending on June 30th, the City was heading towards an expected surplus of \$5 million - \$10 million. The current estimates are that we are now projected to have a SHORTFALL of \$35 million. This is a financial calamity without precedent in our City's history.

To conclude this current fiscal year in balance, the City Manager will immediately institute emergency measures, including:

- Hiring Freeze
- Reduction of discretionary operating costs
- · Reduction/freeze of pending capital projects
- Draw-down on contingency funds

These measures will get the City through the current fiscal year, but revisions to the proposed Fiscal Year 2021 budget and the Fiscal Year 2021 - 2030 Capital Improvement Program will now be required.

Given the level of revenue deterioration, it is expected that such proposals will be significant, painful to the community and hamper the services that the residents of our community rely on.

The adoption of the <u>\$2 trillion "CARES Act"</u> is a positive move by the Federal government. It will provide money to our residents, our businesses, and to state and local governments in a few ways. Yet, even the full impact of these investments are unlikely to prevent painful reductions for our City.

The scale of the reductions now required dwarf what was required during the Great Recession or the period after 9/11. We will need community input over the next few weeks as we attempt to salvage the core services of our government during this unprecedented time.

We will be making adjustments to our budget adoption schedule to provide the community the opportunity to provide input on these difficult decisions.

This outbreak, and the financial impacts, come at a time where the City was finally seeing moderate health in the growth of our tax base.

From 2002 until 2009 the City was enjoying the run-up in the residential real estate market. Our General Fund budget increased by an average of 6.5% per year. The work force in City Government grew from 2,229 Full Time Equivalents (FTE) to 2,660 FTEs during that period.

In Fiscal Year 2010, a decade ago, the bottom fell out as the Great Recession took hold. The City adopted its first negative budget in at least 40 years, reducing spending from Fiscal Year 2009 to 2010 by over 2%. From 2010 to 2019, the General Fund budget increased by an average of 3.7% per year. The budget that Council adopted last year grew 1.7% from the previous year.

The work force in City Government is now 2,643 FTEs, essentially what it was a decade ago. That's in spite of the fact that our population has grown significantly during that period of time.

While the impacts of this outbreak are presently being felt on the consumption portion of the City's revenues (Dining tax, Sales Tax, and Transient Lodging Tax), these challenges will eventually impact the City's real estate tax base, which is decisive for the City's financial fortunes.

Twenty years ago, the City Council of Alexandria received its assessment report from our City Assessor. The City Council learned



that between 1999 and 2000, the City's real estate tax base grew by a little over 9%. For the next 6

years, annual tax base growth never went below double digits, as the City AVERAGED 15.3% ANNUAL tax base growth between 1999 and 2006. This was an unprecedented appreciation in our tax base.

From 2006 to 2007, the City's real estate tax base grew by just a little over 4%. For the next 12 years, annual growth in the tax base never again reached 4%. From 2008 until 2019, the City's tax base grew annually by an average of 1.47%. There were two years during this period where the tax base actually shrunk.

In February, the City Council received the City's 2020 real estate assessments. They showed that for the first time since 2007, our real estate tax base has grown 4.15%.

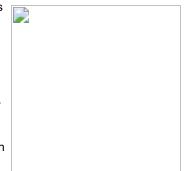
The most important decision the City Council makes each year is the adoption of the annual operating budget and capital improvement program. I have been a part of 9 budget adoptions prior to this one.

Working to adopt a budget reflective of our values and the need of this community will be an extraordinary challenge in this environment. Please let us know your thoughts as we work to conclude this process.

2020 Census

Today is Census Day! A few weeks ago, residents throughout Alexandria received a census questionnaire. Surveys can be submitted online, by the phone or by mail.

Political representation for our City and Commonwealth as well as millions of dollars of Federal funding will be distributed based on this count.



Please be counted!

Complete your survey today!

Potomac Yard Metro Southwest Access

Since November of 2018, when the Commonwealth of Virginia announced the investment of \$50 million into the Potomac Yard <u>Metro Station</u>, the City has been working to apply that investment to improve access to the station from the southwest. Adding a \$50 million+ investment to a \$320 million capital project, after the contract has been awarded, is not an insignificant undertaking.

That process has now concluded and a deal has been struck with the contractor building the Metro station to construct Option 1 within the \$50 million allocated by the Commonwealth.

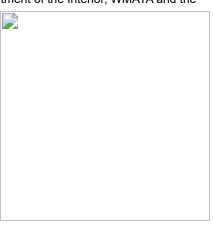
For a quarter of a century, the City has been working to bring an inline Metro Rail station to Potomac Yard. In December, we broke ground and formally began construction of that station.

You can watch my remarks at the groundbreaking, as well as other remarks from those who participated, including the Governor, in the video the City has posted from the event.

On the front page of the <u>Final Environmental Impact Statement</u> for the Potomac Yard Metro Station are the seals of four entities: Federal Transit Administration, Department of the Interior, WMATA and the

City of Alexandria. Later in the report there is additional input from the US Army Corps of Engineers, the US Environmental Protection Agency and the National Capital Planning Commission.

The breadth of the entities involved clearly demonstrates the complexity of the project. This project is deeply complex and has been



challenging to bring to reality for decades.

In September of last year, one of the final permits required for construction of the station to proceed was approved. <u>The State</u> <u>Water Control Board approved a permit which reflects the mitigation</u> <u>required for impacts on the wetlands by the construction of the station</u>.

In November of last year, the <u>US Army Corps of Engineers issued</u> the final permit approval required.

As the design efforts have continued, <u>there are "virtual tour" videos</u> of the future station available online for review.

Three months ago, <u>Council authorized the issuance of General</u> <u>Obligation bonds to support the construction activity related to the</u> <u>new station</u>. Once our AAA/Aaa ratings were affirmed the City returned to the bond markets. <u>In December, the City successfully</u> <u>sold the bonds at a record low rate of 2.67%</u>.

A year and a half ago, the Washington Metropolitan Area Transit Authority (WMATA) <u>announced the selection of Potomac Yard</u> <u>Constructors as the prime construction contractor</u>.

Potomac Yard Constructors is a joint venture of <u>Halmar</u> <u>International</u> and <u>Schiavone Construction Company</u>. The bid was ranked the highest technically during the procurement process and had the lowest price.

The Potomac Yard Metro project will facilitate the creation of up to 26,000 new jobs and will bring up to \$2 billion of new tax revenue to

the City (over 30 years). It removes thousands of vehicles from one of the most crowded corridors in our City. It promotes the creation of the kind of walkable community our City has long desired in Potomac Yard.

In 2008, along with then-Councilman Rob Krupicka, I proposed a new start to efforts to bring Metro to Potomac Yard. <u>We included</u> <u>language in the City's Transportation Master Plan</u> explicitly calling for a new station at Potomac Yard. We also tied the construction and funding of Metro to the development occurring in the Yard.

The result is <u>a funding plan for Potomac Yard Metro</u> that not only leverages the development activity in Potomac Yard, but also does so without requiring the contributions of General Fund taxpayers.

The largest environmental, <u>economic development</u>, and transportation initiative in our City's history is being accomplished using <u>one of the most innovative funding mechanisms used</u> <u>anywhere in the country</u>.

The current schedule calls for the station to open in early 2022.

Freedom House

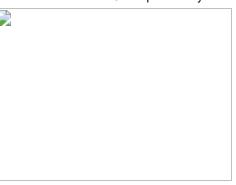
Between 1828 and 1861, over 100,000 enslaved African-Americans passed through 1315 Duke Street in the City of Alexandria. This building was the headquarters for one of the largest domestic slave trading operations in our nation.

As of last week, the City now owns the building, having purchased it from the Northern Virginia Urban League to ensure the preservation of this important historic resource. While the purchase will be <u>locally</u> funded, the General Assembly's approved budget included <u>\$2.4</u> million of state funding to support the rehabilitation and development of the historic resources on the site

Operating from a prominent location, this human trafficking operation brought enslaved African-Americans from the Chesapeake Bay area

to a holding pen surrounding the building, where they were then forced by foot or by ship to Natchez, Mississippi or New Orleans.

Today, known as Freedom House, the building has been owned by the Northern Virginia Urban League since



1996 and is being operated as a museum in partnership with the City.

Last year, the City extended financial support when the Urban League's finances prevented successful operation of the museum.

Facing the financial burden of supporting the maintenance of the old facility, the Urban League placed the property on the open market.

This property is a significant piece of Alexandria and our nation's history. The history depicted in the museum today, and the history yet to be unlocked in the building is a story that must be told. I believe we must work to ensure this history remains accessible to the public.

Additionally, fundraising efforts have begun immediately to support private interest in this important resource. <u>Please join me in donating</u> to support this effort.

I am excited about the opportunity that this acquisition presents for the City to better discover, interpret and educate the public on a vital part of American history.

Housing for Alexandria's Future

In September, the Board of Directors of the Metropolitan Washington Council of Governments (COG) unanimously adopted new regional housing creation targets. This is the first regional commitment to accelerate the development of housing supply as a means to address our affordability crisis.

These targets commit the City to the creation of additional units, with most of those units committed to be affordable for low to middle income households. To ensure that this housing creation does not exacerbate existing transportation challenges, most of this new housing must be located near job centers and high-capacity transportation infrastructure.

Last month, the City Council became the third jurisdiction in the region to endorse these targets.

In 2013, while adopting our <u>Housing Master Plan</u>, City Council set an ambitious goal to create or preserve 2,000 affordable units by 2025. <u>We are on track to meet this goal</u>.

With Council's unanimous adoption of the COG targets, we will increase our current target of 200 units per year to 325 affordable units per year.

I served on the COG Housing Strategy Group which developed these recommended targets, along with elected officials from Maryland, Virginia and the District of Columbia. The groundwork for this effort was laid In September of 2018, when the Board of Directors of COG accepted a report that identified that 100,000 additional housing units will need to be constructed within the region just to meet expected job growth. That is 100,000 units BEYOND what is already planned to be developed.

The COG analysis focuses on the housing production required to meet the economic competitiveness and transportation efficiency goals for the region. Even with increased housing production at the levels recommended, it's unlikely to be sufficient supply to address affordability challenges.

The recent Amazon and Virginia Tech economic development announcements have stoked concerns regarding the impacts on

affordability that may result throughout the region. While analysis shows the potential for impacts on affordability, <u>in</u>



<u>a region with over 3.3 million jobs</u>, an additional 25,000 jobs entering the market over a decade is not likely to have a dramatic impact.

Yet these economic development "wins" have served to shine a light on an issue that has bedeviled our City and this region for decades. As <u>the region's job supply has grown, the housing supply has not</u> <u>sufficiently grown to match</u>.

While the paired announcement of Amazon and Virginia Tech presents risks for affordability in the region, it also provides some critical opportunities:

For the first time ever, <u>the Commonwealth included new</u>
housing investments in an economic development incentive

<u>package</u>.

- In the aftermath of the announcement, <u>Governor Northam</u> <u>proposed new investments in the Commonwealth's Housing</u> <u>Trust Fund as part of his package of amendments to the</u> <u>budget for the 2019 General Assembly session</u>.
- There is some reason to believe that the Amazon/Virginia Tech investment will prompt new housing production, thus alleviating some of the crunch.

While <u>the national media</u> has highlighted the potential impact of this new growth on Arlandria and other vulnerable neighborhoods, the City <u>recently commenced a long-planned</u> <u>effort to update our plans in Arlandria and Del Ray</u>. Housing affordability, namely how to preserve the market-rate affordability remaining in Arlandria, will be a significant component of that process.

As we try to keep the planning effort on track in an era of social distancing, you can <u>watch our Planning Staff's presentation on the updated Plan's principles</u>. You can <u>review the presentation</u> without the video. We would <u>love your feedback on the proposed principles</u> <u>between now and April 17th</u>.

In response to requests by Council, our staff returned last month with revisions to our Interdepartmental Work Program to include a comprehensive review of zoning tools available to advance affordability. <u>The so-called "Zoning For Housing" effort is now</u> moving forward with findings scheduled to come to Council and the Planning Commission over the next few years.

In the next 2 years, this includes study of:

- Accessory Dwelling Units
- Inclusionary Zoning
- Townhouse Zoning
- Property Conversions
- Expansion of the Residential Multi-Family Zone (RMF)
- <u>Expansion of Density Bonuses</u>
- Co-Housing/Rooming Houses

When the City attempts to address housing affordability, it is going up against powerful economic forces. Employing market-based solutions to these affordability challenges is where the City can be most effective.

In late 2015, <u>Jason Furman, then the Chairman of the Council of</u> <u>Economic Advisers</u>, made a speech that drew a direct connection between one of the most challenging issues for us in Alexandria to one of the most challenging issues facing our nation.

He laid the blame for these challenges squarely at the feet of local policymakers.

In this speech, Mr. Furman addressed the large and growing challenges of housing affordability in communities. He connected those challenges with growing income inequality around our country. But most relevant to us in Alexandria, he assigned blame for a lack of housing affordability on local zoning restrictions.

Said another way, our limitations and restrictions on development have driven the cost of housing to unaffordable levels thus exacerbating income inequality. <u>He even traces the impact of these restrictions to reductions in employment</u>.

Furman writes "Zoning restrictions--be they in the form of minimum lot sizes, off-street parking requirements, height limits, prohibitions on multifamily housing, or lengthy permitting processes--are supply constraints. Basic economic theory predicts--and many empirical studies confirm--that housing markets in which supply cannot keep up with demand will see housing prices rise." Some have even <u>suggested that removal of some local authority</u> over land use can help address the affordability issue. Others have ascribed even more nefarious motives to how zoning restrictions are applied. A year and a half ago, <u>Minneapolis approved one of the</u> more radical approaches to addressing affordability, by rethinking the entire construct of "Single Family Zoning." A recent analysis looked at similar approaches in our region, including Alexandria.

All of this leads us to the fundamental question as to whether Alexandria's efforts to address affordability are helping, hurting or having no effect.

Our discussions on affordable housing have generally been focused <u>on funding questions</u>, <u>debates about the impacts of individual</u> <u>projects</u>, and <u>the contention between affordability and other City</u> <u>priorities</u>.

Yet, if Furman and other economists are to be believed, we in Alexandria have rarely tackled the fundamental root of housing affordability. Most of our efforts are aimed at creating or preserving housing that will ultimately be in the public domain or under nominal public control. However, it is through our zoning authority that we can truly impact housing affordability in privately owned housing.

Obviously zoning restrictions have a place and serve a need to protect the quality of life within our community. I would also suggest that we have done some things right in tweaking our current restrictions to improve affordability.

For instance, in 2015, the City Council adopted new parking standards for multi-family housing. By rightsizing parking, we significantly reduced the cost of construction for multi-family residential development, provided new incentives for the use of transit, and freed up resources for alternate community investments.

However, these new standards went even farther, by providing steeper parking incentives for restricted affordable housing units. The City essentially adopted our largest financial incentive for the creation of new affordable housing, while also reducing the overall cost of private housing development.

In 2017, at the suggestion of Councilman Chapman and myself, <u>the</u> <u>City expanded our "density bonus" program for affordable housing</u>. The program essentially trades additional market density with landowners in exchange for new committed affordable housing.

As we work to implement the City's Housing Master Plan, the new COG Housing targets and advance our "Zoning for Housing" effort, we must seek to comprehend and be willing to address all of the factors that challenge affordability in the City. Amazon's arrival and Virginia Tech's expansion doesn't dramatically change the affordability challenge in our region, but it does perhaps give us the impetus to make the difficult decisions to address it.

Let me know your thoughts!

Host a Town Hall in Your Living Room!

As Mayor, I am continuing my regular series of Town Hall Meetings.



You supply the living room and a

bunch of your friends and neighbors. I will supply the Mayor who will hopefully have the answers to any of your questions about our City.

Just <u>drop us a line</u> and we'll get a Town Hall on the calendar! Thanks for the interest!

Upcoming Issues

Inova Health Plex/Oakville

Last month, <u>Inova announced the planned expansion of healthcare</u> services in our City with the development of a new Inova HealthPlex in Oakville Triangle.

Oakville Triangle is a 13 acre parcel of land nestled between Del Ray and Route 1, immediately across from Potomac Yard. It holds some of the last light industrial space that remains in the City.

Almost five years ago, the City Council approved the <u>Oakville</u> <u>Triangle and Route 1 Corridor Vision Plan</u>. The site was approved for increased mixed-use density along with expansion and improvement of existing green spaces, new affordable housing, "maker space" to replicate some of the existing light industrial spaces and improvements to the road network in the plan area.

However, the plan was likely ahead of the market and the plan approval sat dormant for several years. In late 2018, implementation of the plan was immediately accelerated with the announcement that the new Virginia Tech Innovation Campus would be located within Oakville Triangle. Yet, that announcement did not last long, as Virginia Tech ultimately decided they needed more room to grow and they moved across Route 1 to North Potomac Yard.

With the announcement of the new Inova HealthPlex arriving in this location, the Oakville Triangle plan is back to life, with planning efforts moving forward.

While hampered by current the current COVID-19 outbreak, community engagement efforts have now begun. <u>A recorded</u> presentation by the applicant can be viewed online. Additionally, the presentation itself is available.

Between now and April 9th, the City is collecting initial community feedback on this proposal. Let us know what you think!

Landmark Mall Redevelopment

Nearly 55 years ago, <u>then Virginia Lieutenant Governor Mills Godwin</u> Jr. (later Virginia's 60th and 62nd Governor) came to Alexandria to <u>open Landmark Mall</u>. Today, the work continues to restore the Landmark Mall site to a productive use of real estate for our City.

In June 2013, after taking over ownership of the mall site, the Howard Hughes Corporation <u>received approval by the Planning</u> <u>Commission and City Council for a redevelopment of their portion of</u> <u>the site</u>. A slower than expected leasing market slowed their intentions to redevelop.

In 2015, Howard Hughes Corporation was back at City Hall to apply for very minor amendments to the approval that was issued in 2013. <u>These changes were approved by City Council in April of 2015.</u>

Sears spun-off a new Real Estate Investment Trust (REIT) in 2015 called Seritage Growth Properties to maximize value out of their remaining real estate. <u>The Landmark Mall Sears store property is now owned by this REIT.</u>

Early in 2017, Macy's announced the closure of their store at Landmark.

The Howard Hughes Corporation later announced that it had purchased the Macy's store site.

The Howard Hughes Corporation subsequently announced that the existing mall site is closing.

<u>A year ago, Council approved revisions to the Master Plan to</u> <u>advance a comprehensive redevelopment of the site</u>. Later this year, we hope that additional approvals will come forward to finally facilitate redevelopment.

There have been discussions between the City and Howard Hughes about potential public/private partnerships that will help spur the redevelopment, but as <u>Howard Hughes continues with a</u> restructuring, it remains to be seen who will ultimately bring Landmark through redevelopment.

There is no clearer demonstration of the City's financial challenges than the predicament that currently faces Landmark Mall.

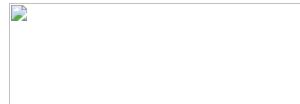
Nineteen years ago, when the ownership of the properties at Landmark Mall received their tax assessments from the City, the <u>actual mall site was assessed at \$76.4 million</u>. The <u>Sears store was assessed at \$19.7 million</u>. The <u>Macy's store site was assessed at \$17 million</u>.

At the City's tax rate in 2000, these three sites alone generated \$1.25 million in real estate tax.

Today, the three properties are assessed at \$25.2 million, \$14 million, and \$12.6 million, respectively. They generate about \$500,000 in real estate tax today, less than half of what it used to be.

To make the situation even more severe, real estate tax is only a portion of the picture. The reduction in revenues from sales tax,

dining tax, and other business taxes has also been dramatic at this site.



While no

one should be convinced until they see bulldozers knocking down the existing mall site, there is a lot going on. Landmark Mall redevelopment has been complicated from the beginning, but I believe we can be cautiously optimistic that it is finally coming together.

The redevelopment of the Landmark Mall site has been a long time in coming to fruition. I am optimistic that we are finally making real progress in this effort.

Mayor Justin M. Wilson 703.746.4500 justin.wilson@alexandriava.gov www.justin.net Alexandria City Hall 301 King Street Alexandria, VA 22314 Paid for by Wilson For Mayor