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your connection to City Council by Mayor Justin M. Wilson

December 1, 2020

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In This Month's Edition:

- Power Plant Redevelopment
- A Cleaner Potomac
- Next Budget
- Flooding
- School Enrollment
- Saving on Our Debt
- Greener Buildings
- Potomac Yard Metro
- Legislative Package

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
Real-Time Traffic Data
Alexandria Health Department

Restaurant Inspections



In a few weeks, 2020 will mercifully end. It would be an understatement to say that this has been a difficult year for our community. A pandemic and its enormous impacts on our residents and our economy, a long-overdue reckoning on racial equity, a terribly divisive national election, natural disasters and far too much loss.

Yet, Alexandria will persevere, as we always do, by supporting each other and keeping an eye on the opportunities of the future.

As we close this year, my second as your Mayor, I thank you for the

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opportunity to serve and for the ways that you give back to our community.

I wish you and your family a wonderful holiday season and a joyful New Year.

As we close out the year, the City remains in the fight against the COVID-19 pandemic.

We continue to make progress, albeit with some steps backward over the past few weeks:

- In October, our case volume began increasing considerably and we are now at the highest number of known cases we have seen
- COVID-19 testing <u>remains widely</u> <u>available</u>, with Alexandria having one of the highest testing rates in the Commonwealth and our region.
- Last week we had our 65,000th COVID test performed in the City and November marked the highest testing volume yet.
- Our targeted testing initiative in partnership with <u>Neighborhood</u> <u>Health</u> held free testing events multiple times per week in November.
- <u>Eight free testing events are now scheduled throughout December.</u>
- Our hospitalization rates have remained low.
- Our hospital capacity has remained stable.
- Our testing positivity rate remains relatively low, reaching our lowest point ever in October (3.3%) but we are now at 6.3% as of yesterday.
- In August the Commonwealth released the free COVIDWISE exposure notification app for iOS and Android devices. Download it today!
- Our Health Department <u>provided</u> <u>some insight into the commonly</u> <u>reported potential exposure</u> <u>sources for COVID-19</u> <u>transmission.</u>
- While no vaccine is yet available, in August the Alexandria Health Department published the framework plan for vaccine distribution

While the Governor's existing Executive
Order requires face coverings in all
indoor public spaces, the City Council
approved an ordinance that extended
that requirement to outdoor areas (where
social distancing is not possible) as well.

In July, I had the opportunity to appear on PBS NewsHour to discuss our City's efforts more comprehensively.

The ACT Now COVID-19 Response Fund has now re-branded as the Alexandria Resilience Fund., which is distributing money into our community to support the many needs this crisis has created. Please join me in supporting this fundraising effort.

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

The Virginia Department of Health posts data daily online regarding positive tests, hospitalizations and deaths.

The <u>Virginia Hospital & Healthcare</u>
<u>Association is posting daily updates</u>
<u>regarding hospital capacity and</u>
<u>capabilities.</u>

I continue my monthly Virtual Town Hall meetings on the first Thursday of each month.

You can watch last month's Town Hall online and please join me at this link on the evening of Thursday the 3rd at 8 PM to watch and participate live.

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

We are now launching our "Adopt-A-Hand Sanitizer" partnership program. We are looking for private partners to host hand sanitizers throughout our community.

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

In March, my colleagues and I worked to propose a list of emergency actions to support our residents, our businesses and our municipal finances. These proposed actions are now either in place or in progress. Some are detailed below.

The entire City Council thanks our community for pulling together during this crisis.

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

Initiatives and Updates

Power Plant Redevelopment

Almost two decades ago, persistent resident activists, led by Elizabeth Chimento and Poul Hertel, began questioning the health impacts of the coal-fired Potomac River Generating Station, which began operation on Alexandria's waterfront in 1949.

Eventually, they got the support of the City government, and through years of work, led by my former colleague Paul Smedberg and my current colleague Del Pepper, the plant shut down for good a little over 8 years ago.

Now, it's time for what is next.

Last month, <u>Hilco Redevelopment Partners</u>, a national entity specializing in the redevelopment of aged industrial sites, <u>took control of the property with plans to see redevelopment to fruition</u>.

With the closure of the station, this site became one of the higher priority sites for redevelopment in the City. As the City's focus on the waterfront has led to new public access, increased open space and new economic vitality, the power plant site is a critical missing piece as we work to ensure the connection of the northern end of the waterfront.

Fortunately, Hilco is welcomed to Alexandria with an adopted community vision to guide them. In 2017, City Council approved the Old Town North Small Area Plan. This planning document codified a redevelopment vision for the 20-acre power plant site and the area surrounding it.

While the plan was appropriately non-specific about the exact future development of the power plant site, the approved vision details new open space, mixed-use

development, sustainable land-use, affordable housing and much more.

With the entrance of Hilco, I am excited to see an ideal partner for the City to turn this former industrial polluter into the sustainable uses of the City's future!



A Cleaner Potomac River

Last month, the Alexandria Renew Enterprises Board of Directors, the governing body of Alexandria's sewer authority, approved the issuance of \$454.4 million contract to Traylor/Shea. This joint-venture will complete the final design and construct the tunnel network that will address overflows into the Potomac River from the combined sewer system that serves Old Town.

This will be the largest single infrastructure project in the City's history!

Three years ago, the General Assembly enacted legislation that required the City to address remediation of our Combined Sewer System by July 1, 2025.

With remediation expected to require nearly a half billion dollars, the City requested funding from Commonwealth coffers to assist in this challenge. The City has now received a total of \$90 million of commitments from the Commonwealth thanks to the support of Governor Northam, and our General Assembly delegation, specifically Senator Saslaw. Other jurisdictions in Virginia with similar systems have benefited from such funding, and this additional investment is a significant accomplishment.

In June of 2018, <u>City Council approved transferring</u> the ownership of the four Combined Sewer outfalls to Alexandria Renew Enterprises to allow the City to leverage their capacity and capabilities to address these issues.

At the end of that same month, the Virginia

Department of Environmental Quality approved a
plan jointly prepared by the City and Alexandria

Renew to meet the more stringent timeline imposed
by the General Assembly.

The City is now well on our way to meeting this new timeline.

The construction work will occur primarily at 4 sites, the three outfall locations and the location of the Alexandria Renew treatment facility. Haul routes have now been developed to remove the soils that will be excavated during this work.

Alexandria Renew recently completed the demolition of Robinson Terminal North, which will support the work required in the vicinity of that site.

The challenge is significant. We certainly did not plan to rectify this outfall on the timetable that the Commonwealth has provided. Even with the timetable, Alexandria remains ahead of many jurisdictions around the nation on this issue. Stormwater planning and work coordinated with redevelopment activity has left us better situated than most. I look forward to seeing this work accelerate with the contractor now on board.

Budget Preview

In about two and and a half months the City Manager will present his proposed Operating Budget for Fiscal Year 2022 (July 1, 2021 - June 30, 2022) and his proposed Capital Improvement Program (CIP) for Fiscal Year 2022 through Fiscal Year 2031.

The most important decision the City Council makes each year is the adoption of the annual operating budget and capital improvement program. The operating budget generally funds the on-going costs of government (primarily personnel), while the capital budget funds one-time expenditures that provide the community with an asset (new schools, new roads, new playing fields, transit buses, etc).

The upcoming budget will be proposed and adopted against the backdrop of an extraordinary set of constraints and uncertainty. Last month, the City Manager presented his initial outlook for the upcoming budget to our annual Council retreat.

The budget adopted last spring, at the beginning of he pandemic, <u>reflected a loss of an estimated \$92</u> <u>million of revenues</u> divided between the previous Fiscal Year 2020 and the current Fiscal Year 2021.

While the revenue loss did not end up being as severe as feared, the precipitous loss of tax revenue is now anticipated to last much longer. When the pandemic hit last year, we had the "benefit" of having already completed real estate property assessments for calendar year 2020. Given the vast majority of our City revenues are based on residential and commercial real estate taxes, the broad impact if the pandemic had not yet hit the City's budget.

The upcoming budget will not have that luxury.

While the residential real estate market in Alexandria has remained strong, even in the pandemic, the

commercial real estate market has taken a body blow. Residential real estate in Alexandria is currently projected to grow by 3.6%, which is a healthy rate of growth, not unlike growth in recent years. On the commercial side, our valuations are expected to drop by 4.69%, the largest drop in decades.

Together, our real estate tax base is projected to remain largely flat with a 0.15% increase in valuations anticipated.

Once all other revenue projections are included, the City Manager currently projects overall revenue growth of 0.2%, which would be the most anemic revenue growth since the Great Recession. That would provide an estimated \$1.7 million of new revenue for the upcoming year. Current projected expenditure increases are \$42.8 million of additional spending, which would create a \$41.1 million shortfall.

Given that our local budget must be balanced, that shortfall must be resolved with either spending reductions, tax increases or some combination of the two.

To formally commence that process, the City Council adopted our annual budget guidance for the City Manager. Given the considerable uncertainty, the adopted guidance asks the City Manager to propose his budget with a "bookends" approach, showing a budget that resolves the budget gap without tax increases (all reductions), a budget that resolves the budget gap without service reductions (all tax increases) and a budget that includes a mix of the two options.

It is generally my preference that the City Manager propose a budget without a tax rate increase included, allowing the City Council to make that decision during the budget process. This year, a majority of the Council wished to provide the City Manager with the flexibility to include a rate increase if necessary. That preference was reflected in the adopted budget guidance.

This will be a challenging environment to adopt a budget within. With our residential taxpayers already paying more this year due to the appreciation in our residential tax base, I believe we should again work to avoid a rate increase while protecting the core services our residents depend on.

The City Manager's budget presentation is on February 16th.

Flood-Resilient Alexandria

Over the last several months, the City Council has worked to accelerate efforts to address chronic flooding

issues, this time due to more frequent and more intense rain events. These storms are causing our residents and businesses to suffer significant financial loss due to damage from flooding and sanitary sewer backflow.

Addressing this challenge requires immediate and sustained action in the following areas:

- Infrastructure Investment and Maintenance
- Financial and Technical Assistance to Residents
- Development Policy Reform

Last month, the City Council <u>received the initial</u> <u>output from our recently-formed interdepartmental</u> <u>team</u> working to address these challenges. You can watch the full worksession online.

Our interdepartmental team has proposed doubling our current Stormwater Utility Fee, paid by all property owners in the City, to allow for an acceleration of major capacity projects and spot infrastructure improvements, an increase in channel maintenance, new "state-ofgood repair" investments, property owner grants and new staffing.

In June of 2018, property owners in Alexandria paid a Stormwater Utility Fee for the first time ever. The creation of this fee was driven by the need for additional revenue to comply with the City's MS4 Permit. The permit reflect's Alexandria's obligations to reduce pollutants contained in storm run-off which makes its way to the Chesapeake Bay and other waterways.

The fee applies to all properties (regardless of their taxable status). For commercial properties, it is assessed based on the impervious surfaces on the property. For residential properties, there are four tiers (apartment, townhome, small single-family home and large single-family home). There is a credit system in place to encourage actions that assist the City's storm sewers. Essentially the fee is structured to be a user fee for the City's stormwater handling.

The current stormwater utility fee is projected to bring in \$8.4 million this year (which grows to over \$11 million when that revenue is borrowed against), and \$200 million over the decade (assuming modest, regular increases). Those revenues will support \$101 million of capital projects over the next decade, including:

- \$51 million for water quality infrastructure initiatives required under our MS4 Permit
- \$19.3 million for stomwater capacity improvements
- \$5 million for stream and channel maintenance

While important, these efforts are insufficient to address the capacity issues that remain throughout the City and will not protect the City from the impacts of this flooding in the face of a rapidly changing climate.

The proposed doubling of the fee would cost a single-family homeowner an additional \$140 per year, a large single-family homeowner an additional \$234 per year, a townhome owner an additional \$59 per year and a condo owner an additional \$39 per year.

In this new scenario, the proposed budget for capacity projects would increase over 5-fold to \$110 million over the next decade. Spot improvements would double, allowing an additional 3 - 6 projects annually.

For over 3 decades, Alexandria has designed and planned for our storm sewer system to withstand a "10-year" storm event. Said another way, a storm that is expected to have a 10% chance of happening every year, is the designed capacity of our system.

For Alexandria, a 10-year storm event constitutes one that will drop 2.28 inches of rain over a 60-minute period or 4.81 inches over a 24-hour period. This is a capacity that is at, and in many cases above, that of neighboring jurisdictions.

Yet, now three times in the past 14 months, we have had rain events that far exceeded this capacity. This is not sustainable.

Alexandria spends a significant amount of money on infrastructure designed to manage water. In April, the City Council approved a \$2.1 billion, ten-year Capital Improvement Program. Of that, over \$150 million is to address stormwater and sanitary sewer infrastructure. Alexandria Renew Enterprises, the City's sewer authority, plans another \$593 million of capital investments over the next decade, primarily the RiverRenew project to remediate the Combined Sewer (sanitary and stormwater) system that serves Old Town.

Together, nearly \$750 million is planned for water investments. This spending dwarfs planned investments in schools, transportation and other major priorities. Only a decade ago, planned investments in water infrastructure were less than a quarter of this total, but addressing these challenges will require a sustained increase in that investment level of a long period of time.

The investments required in our Sanitary Sewer system are funded by maintenance fees paid by existing customers (on the Alexandria Renew Enterprises bills) and by connection fees paid by developers.

In 2016, the City conducted a comprehensive Storm Sewer Capacity Analysis. This exhaustive study looked at each of the City's eight watersheds (Backlick Run, Cameron Run, Four Mile Run, Holmes Run, Hooff's Run, Holmes Run, Potomac River, Strawberry Run and Taylor Run) and identified problem areas where current capacity does not meet our 10-year storm design standard.

The study identified 90 separate deficiencies in the system, and estimated \$61 million of construction costs required to address those deficiencies (construction costs are approximately half of expected budget costs). Over half of these deficiencies are concentrated in the Hooff's Run and Four Mile Run watersheds. The reports of flooding from our residents during these most recent events align closely to these deficiencies.

From the maintenance perspective, it is also clear that we have work to do. This fall, the City will undertake a \$2 million effort to clear approximately 7,000 feet of the Hooff's Run Culvert. This 70+ year old urban culvert is designed to be "self-cleaning." Last year, after the July 2019 flooding event, the City commissioned a firm to do a **robotic assessment of the condition of the culvert**. That assessment showed an average of 5% obstruction across the culvert and some areas of 15-20% obstruction. The clearing of the culvert commenced last month and is expected to take several months. It does not appear to have been done before, certainly not in recent memory.

We will also work to expand efforts to assist homeowners in making their properties more resilient. The City has long had a program in place to fund the installation of Sewer Backflow Prevention devices. These devices help prevent sanitary sewer backflow from entering homes during severe rain events.

In addition to maintaining this program, the City will explore the creation of grant programs to assist property owners in making improvements. Recently enacted state law allows the City to provide real estate tax abatement for certain flood improvements. Implementation of these and other programs to assist property owners will be explored.

For development, whether large-scale, mixed-use development or a small residential addition, Alexandria's stringent stormwater requirements stipulate that conditions after development to be the same and oftentimes better than they were. As a consequence, the flooding we have experienced in the City is typically in established neighborhoods, areas of our City where we have not seen new development (aside from infill) in decades. Yet, there may be options to further strengthen these

existing requirements. Later in this newsletter, I have more detail on legislative initiatives the City is seeking in the upcoming General Assembly session to assist in this effort.

A climate-resilient City requires investments and potentially new policies to ensure that residents of our City do not suffer devastating damage with such frequency.

Putting in place the infrastructure that can support a changing climate will be a significant undertaking for our community. It will involve a large commitment of new resources and possibly private property impacts.

Yet it is my belief that this work requires greater urgency to protect the residents impacted in our City.

School Enrollment

This year, 15,588 students started in the Alexandria City Public Schools (ACPS). That constitutes a 2.95% decrease from the previous year or about 474 fewer students.

While the enrollment numbers are greatly impacted by the ongoing pandemic, this year is the first time in 14 years we have seen a decrease in enrollment. During that period, ACPS added over 5,000 students. The last time we had this many children attending our schools was nearly 50 years ago in the early 1970s.

Eight years ago, the City convened the Joint <u>Long</u>
Range Educational Facilities Work Group. The group
was given the essential charge to understand our recent
increase in student enrollment, better project enrollment
growth in the future, and to decide what to do about it.

The School Board Chair and Vice Chair at the time, the Mayor at the time, and I joined a group of community members and staff to steer the effort.

We have also worked to understand where the enrollment is coming from. For example, we learned that low-rise apartments generate nearly three times the students as high-rise or mid-rise apartments do. We learned that single family homes generate nearly double the students as townhouses. We know that public housing and other incomerestricted units far outpace any other property type for student generation.

We now know that housing units built over 30 years ago account for four times the student generation as those built in the past 30 years.

These data points remind us of the need to address this enrollment growth head-on.

In June of 2015, the City Council and the School Board adopted the <u>Joint Long Range Educational Facilities</u>
<u>Plan</u>. The Plan is the culmination of the group's work in conjunction with the efforts of both ACPS and City staff. The Plan looks at each elementary school building in the City, assesses the facility's educational adequacy, and provides a roadmap for increasing capacity and addressing deficiencies.

Two years ago, the Council and School adopted phase two of this effort, <u>planning for additional capacity at the</u> high school level and in pre-school.

Two years ago, ACPS opened the first net-new school building in nearly two decades with the <u>opening of Ferdinand T. Day Elementary School on the West End.</u>
Almost a year ago, ACPS <u>opened the newly rebuilt Patrick Henry K-8 School</u>. Both of these new buildings added badly needed capacity in areas of the City with rapidly growing enrollment.

Last year, the City Council unanimously approved landuse modifications to allow the old Patrick Henry Elementary School building to be temporarily used at "swing-space" to facilitate a rebuild of Douglas MacArthur Elementary School. In September, the City Council unanimously approved the rebuild of MacArthur.

The City's approved 10 year capital improvement program for the Alexandria City Public Schools includes \$530.7 million over the next decade. This provides the funding for both new and renovated facilities, as well as non-capacity infrastructure investments. Only 7 years ago, the 10 year capital improvement program for our Schools was less than half as much at \$203 million.

The Superintendent has now proposed his 10-year Capital Improvement Program to the School Board, and the Board is in the process of deliberating on his proposal. This plan proposes an increase over the next decade, to require \$551 million. The Council and the School Board met last month to discuss this proposed request and the ongoing collaboration required to address these challenges in the future. You can watch that full discussion online.

The Superintendent's proposed 10-year Capital Program includes rebuilds or builds of:

- Cora Kelly Elementary School
- George Mason Elementary School
- Minnie Howard Campus of our High School
- A new school to be determined

While capacity will remain the focus of the investments we must make in our school facilities, we have seen far too many examples of the dangers of systemic underinvestment in our school facilities. Returning our school facilities to a state of good repair while sustaining a preventative maintenance cycle must be a priority of our collective investment. There can be no excuse for poorly maintained learning environments for our children.

While the pandemic has paused a decade and a half of enrollment growth, it can be assumed that the trend will continue once our schools return to in-person learning. These long-term investments become critical to support the success of our students in the generations to come.

Bond Refinancing Saves Millions

In October, **S & P Global Ratings** and **Moody's Investor Services** both reaffirmed the City's bond ratings of AAA and Aaa respectively. The confirmation of these ratings, in advance of a refunding of \$46.1 million of existing debt, allows the City to access the lowest possible borrowing costs, saving the taxpayers millions over the life of our bonds.

A <u>municipal bond refunding</u> is essentially the municipal version of a mortgage refinancing, where the City is taking advantage of lower interest rates and replacing portions of our municipal debt with new debt at lower rates.

Through a competitive bidding process, the City has awarded these new bonds to Morgan Stanley at a true interest cost of 1.54%. This new debt will result in a net present value savings of \$2.4 million. That savings will ease the burden on taxpayers as we address the financial shortfalls over the next few years.

Much like individuals must have a credit check performed before acquiring a mortgage, a car loan, or a new credit card, the City must go before Standard & Poor's and Moody's to have the two organizations assess whether we are doing a good job managing the City's finances.

In May, the Council adopted our 10 year Capital Improvement Program, covering fiscal years 2021 - 2030. Over the 10 year period, the program calls for \$2.11 billion in capital investment throughout the City. Over 40% of this funding goes to City and School municipal facilities. Another quarter goes to transportation initiatives, including Metro.

Our capital budget is funded primarily through a mix of debt and current year funding also known as "cash capital." Relating this to your home mortgage, the cash capital is the down payment. We also pay interest each year on the debt that was issued in previous years.

In issuing the City's rating, Moody's wrote: "Alexandria's financial position will remain stable given a trend of operating surpluses and improving cash and reserve levels, management's conservative budget assumptions, and future tax base growth."

Standard & Poor's similarly cited that "We view the City's management as very strong, with strong financial policies and practices..."

Over the past few years, I have pushed for new policies to make the City's balance sheet even stronger. Nearly six years ago, the Council unanimously adopted a new "cash capital" policy, which served to reduce debt levels and the risk of our borrowing.

A year ago, the Council approved amendments to our "Spendable Fund Balance," essentially expanding the amount of reserves we have available. This new policy was recommended by the City's Budget and Fiscal Affairs Advisory Committee, and it was specifically cited by the rating agencies in support of our ratings.

Alexandria is very conservative with our use of debt.

Arlington County limits its debt to 4% of its Fair Market Real Property Value. Both Fairfax and Prince William Counties limit their debt to 3%. Alexandria's self-imposed limit is 2.5%, and this budget year we achieved 1.12%.

The median for other similarly rated and sized jurisdictions is 2.42%.

In fact, in the Standard & Poor's analysis, they noted that the City was rated higher than the "sovereign" (the US Federal Government) because "we believe the City can maintain better credit characteristics than the U. S. in a stress scenario."

Debt is a tool that allows us to balance the costs of large capital investments across the generations of Alexandria taxpayers that will benefit from them and to pay for our investments from the returns we reap from them.

It is important for us to maintain the careful stewardship that will protect our taxpayers and our City's infrastructure long into the future.

Greener Commercial Buildings



Two years ago, the Intergovernmental Panel on Climate Change again sounded the alarm. Their report gave the world about 12 years to take meaningful action to mitigate catastrophic impacts of rising temperatures.

While the Federal government has been disengaged from international efforts to address climate change, there is some hope that will change next year. While we await that leadership Alexandria is continuing to take meaningful climate action.

It was a year and a half ago that the City Council adopted the <u>latest update of our Environmental</u>

<u>Action Plan</u>. This ambitious plan does not commit or appropriate money, but it does set the strategic direction to:

- Reduce greenhouse gas emissions
- Expand Open Space
- Reduce water pollution
- Reduce vehicle miles traveled
- Reduce ozone

To be successful, this work necessarily involves the public and private sector and will ultimately require a state government fully committed to the cause.

The City is <u>now seeking applicants to serve on a</u> <u>new Energy and Climate Change Task Force</u>. This group is designed to turn our Action Plan into concrete steps the City can take to make progress.

Last year, the Council <u>unanimously approved our</u> <u>new Green Building Policy</u>. This new policy reflects the collaboration of a <u>Task Force</u> that met for several months to arrive at this new direction.

While the Green Building Policy will ensure that new development is built in a sustainable manner, to make progress, we must address existing structures.

Last month, the City Council voted 5-2 to create a C-PACE program in Alexandria. A C-PACE program will allow commercial property owners to make improvements to reduce energy consumption, greenhouse gas emissions and sustainability, financed by repayments collected as part of the property's real estate tax payment.

Buildings account for 39% of total energy use, 68% of electricity consumption and 38% of all carbon dioxide emissions. When buildings are built efficiently, redevelopment can be a powerful force to reduce our energy demands and improve our environment.

Led by an incredibly motivated and knowledgeable group of residents, the City vaulted to the lead among

local governments by adopting the **Eco-City Charter** a decade ago. The charter defined a comprehensive vision for our City to improve environmental sustainability.

The Eco-City Charter then led the City to adopt the **Environmental Action Plan**. The plan laid out specific actions the City should undertake. It detailed how we should measure success and it began to define the next phase of our Eco-City evolution.

In 2009, the <u>City Council adopted Alexandria's first Green Building Policy</u>. The policy laid out a series of expectations of the development community, including <u>LEED Silver for non-residential</u> <u>development and LEED Certified for residential</u> <u>development</u>. The policy included flexibility so that developers could utilize other standards to ensure environmental sustainability of their development.

Meeting the standard requires a myriad of different techniques. Simply put, green building reduces the energy and water usage of buildings, while creating more livable homes and better spaces for work.

While these efficiency improvements are certainly positive for the environment and livability of these spaces, they are also extremely important to the affordability of residency. For those reasons, they were included as components of our <u>recently adopted</u> <u>Housing Master Plan</u>.

Since the adoption of the policy, 95% of the development constructed or under construction has met this policy. This equates to about 10 million square feet of green building.

Yet a lot has changed in the ten years since the approval of this policy. Green building strategies have gone from being a novelty and luxury to being a market standard.

The new policy proposes to raise the bar, with all private development being requested to meet a LEED Silver standard, and and all public development being required to meet a LEED Gold standard. In addition to LEED, the proposed policy also allows for alternate certification options, including **Green Globes** and **Earthcraft**, with a process for use of alternate standards.

While the task force supported the notion that public construction activity to lead the way in sustainability, there was some disagreement as to whether LEED Gold was sufficient or whether the City should set Net-Zero construction as the goal. Ultimately Council chose to set Net Zero as the goal for public facility

construction. The recently approved MacArthur Elementary School will be our first Net Zero building.

Constrained budgets make it more challenging for our City to continue its leadership in sustainability practices, but we can and should work to lead the region in this policy area. These efforts are critical given recent Federal policy changes, but are also good for our economy and our quality of life. I look forward to working to see them to reality.

Another Entrance For Potomac Yard Metro

For a quarter of a century, the City has been working to bring an inline Metro Rail station to Potomac Yard. This time last year, 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 Final Environmental Impact Statement 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.

The construction is well under way and on schedule for opening in early 2022.

Yet, there was one area of unfinished business that remained to be resolved. While excessively high bids led to the abandonment of a planned southern mezzanine (complete with southwest and southeast entrances), there was still a desire to improve access to the station from the southwest.

In November of 2018, the Commonwealth of Virginia announced the investment of \$50 million into the Potomac Yard Metro Station in conjunction with the Amazon/Virginia Tech effort. Since that time, the City has been working to apply that investment to improve access to the station. Adding a \$50 million+ investment to a \$320 million capital project, after the contract has been awarded, is not an insignificant undertaking.

With the active engagement from the Potomac Yard Metro Implementation Group (PYMIG), three alternatives for improving access were developed and ultimately submitted to the contractor to be priced.

Option 3 was clearly the most favored option of PYMIG and the community members who provided input into this process. <u>Unfortunately, the City received the pricing on each of the three alternatives, and all three are over the \$50 million allocated by the Commonwealth</u>. In the case of the preferred alternative, the estimate was \$100 million.

Ultimately, the first alternative was able to be further value-engineered to bring the cost down. City Council voted last month to amend the project one more time, to include this design for southwest access to the Metro Station. This will now be incorporated in the ongoing construction of the station.

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. We included language in the City's Transportation Master Plan 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 a funding plan for Potomac Yard Metro 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</u> <u>funding mechanisms used anywhere in the country</u>.

I am excited to see this project come to reality.

Legislative Package

Next month the Virginia General Assembly returns to Richmond for the so-called "short-session." The General Assembly alternates between a 45 day session



in odd number years and a 60 day session in even number years.

A year ago, we were prepping for a switch of party control for the first time in 22 years in the House of Delegates and 8 years in the State Senate. While the regular session of 2020 was extraordinary with significant legislation enacted, it was just a prelude to an extended special session, which addressed legislation and budget decisions related to COVID and numerous reforms to Virginia's criminal justice system.

We will continue to enjoy an unprecedented level of influence for our City. Our delegation boasts BOTH Majority Leaders (Senator Saslaw leading the State Senate and Delegate Herring leading the House of Delegates) and a few committee chairs.

Every year, the City Council adopts a Legislative Package for the upcoming General Assembly session. While the state government is certainly a significant financial supporter of the City's budget, Richmond also sets a legal environment that affects how we provide services to our residents.

Along with Vice Mayor Elizabeth Bennett-Parker, I serve on the City's Legislative Committee, which recommends the Legislative Package each year to our colleagues.

This year, we have again chosen to prepare a "Statement of Legislative Principles" and a "Statement of Legislative Priorities." Given the breadth of legislation likely to be filed, and potentially enacted, we felt it more appropriate to weigh in on the broader themes that we wished to see addressed on behalf of the City in the upcoming session.

Yet we do have specific asks within the legislative priorities, including:

- Funding and Authority For Infrastructure Investments
- Protecting and Expansion of Local Authority and Funding
- Projecting our most vulnerable residents
- Promoting Access, Equity and Equality
- Combating climate change and promoting clean energy

We have included a specific list of legislative asks to support our efforts to address inland flooding, including efforts to regulate the stormwater impacts of smaller infill development and ensure new state resources to support the necessary infrastructure investments.

We are optimistic that this upcoming session will result in new legislation adopted in alignment with the City's values and supporting our delivery of critical services. The City is represented in the State Senate by <u>Senator Richard Saslaw</u>, <u>Senator George Barker</u>, and <u>Senator Adam Ebbin</u>. In the House of Delegates, the City is represented by <u>Delegate Charniele</u> <u>Herring</u> and <u>Delegate Mark Levine</u>.

Click here to determine who represents you.

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