

# The Council Connection

*your connection to City Council by:*

*Councilman Justin M. Wilson*

Alexandria, Virginia

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## Events/Updates

### DASH Changes

Last weekend the City's [DASH Bus system implemented a variety of relatively minor schedule changes](#).

Additionally DASH also announced that after April 1, [they will no longer be](#)

**With any luck, spring is nearly here.**

**In Alexandria, this means the season of school closures and snow plowing will give way to potholes and flooding.**

**[With our Call, Click, Connect system online, you can report potholes around the City for resolution.](#)**

**On Saturday, an Alexandria tradition returns to the streets of Old Town as the [Ballyshanners host the annual St. Patrick's Day Parade](#).**

**The parade kicks off at noon. I'll see you there!**

**Please let me know how I can be of assistance. [Contact me anytime](#).**

## Council Initiatives

### Redeveloping Landmark Mall

Fifteen years ago, the ownership of the properties at Landmark Mall received their tax assessments from the City. The [actual mall site was assessed at \\$76.4 million](#). The [Sears store was assessed at \\$19.7 million](#). The [Macy's store site was assessed at \\$17 million](#).

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

Today, those three properties are assessed at \$24 million, \$13.4 million and \$10.6 million, respectively. They generate about \$500,000 in real estate tax today.

To make the situation even more severe, real estate tax is only a portion of the picture. The reduction in revenues for sales tax, dining tax, and other business taxes has also been dramatic at this site.

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

 Council Portrait

### [accepting on-bus reloads of SmarTrip cards.](#)

DASH will be hosting two community meetings to discuss the changes, the first at Ramsay Elementary (5700 Sanger Avenue) on Wednesday at 6:00 PM.

The second meeting will be on Wednesday the 18th at 6:00 PM at Mount Vernon Recreation Center (2701 Commonwealth Avenue).

### **Income Tax Assistance**

The City, in partnership with [Community Tax Aid, Inc.](#) is hosting free tax preparation for qualifying residents.

[From now through April 15th, tax preparation sessions will be held on Saturdays from 9 AM until noon, and on Wednesdays from 6:30 PM until 8:00 PM.](#)

The sessions will be hosted at 2525 Mount Vernon Avenue.

Residents must meet income guidelines and provide documentation to receive services.

### **Real Estate Tax Relief**

The City provides partial or complete real estate tax exemptions for those homeowners who are elderly or disabled and meet certain income criteria.

[Applications for relief must be filed by April 15, 2015.](#)

In 2009, the City Council approved the [Landmark/Van Dorn Small Area Plan](#). This plan laid out a comprehensive vision for the redevelopment of the entire corridor, including the properties on the existing Mall site.

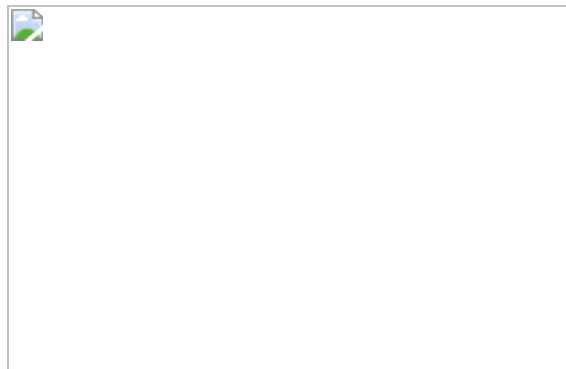
The bankruptcy of one of the owners, unfavorable market conditions, and the complexity of the relationship between the three owners on the site resulted in little action for several years.

After taking over ownership of the mall site, The Howard Hughes Corporation [received approval by the Planning Commission and City Council in June of 2013 for a redevelopment of that site](#). A slower than expected leasing market has slowed the Howard Hughes intentions to redevelop.

A few weeks ago, Howard Hughes Corporation was back at City Hall to apply for very minor amendments to the approval that was issued in 2013. These changes will now be considered by the Planning Commission and City Council in April.

The request for amendment is a positive sign that the landowner still has the intention to proceed with redevelopment in the near term.

While this initial approval is a modest step towards implementing the full vision of the Landmark/Van Dorn Plan, it does help encourage other redevelopment activities in the corridor.



### **Dominion 230KV Transmission Line**

In the spring of last year, Dominion Virginia Power approached the City indicating an need to construct a new underground 230KV transmission line in the northeast corner of the City. The proposed [line is to connect the Glebe substation \(on the other side of Four Mile Run in Arlington\) to the Potomac substation](#) (next to the old Mirant/GenOn/NRG power plant).

Many of the [proposed routes](#) would present challenges for the City.

The decision on the necessity and the routing of this transmission line will ultimately be made by the State Corporation Commission (SCC). Nevertheless the City [created a resident working group](#) and [defined a process for collecting and providing input](#) to the City Council and the SCC.

The working group recently made [its recommendations](#). The City had been preparing to respond to Dominion Virginia Power's SCC filing once it became public. However, in a bit of a surprise, [Dominion Virginia Power recently notified the City](#) that the project was being further delayed to allow them to review their transmission model.

While Dominion indicated that the schedule for a new filing will be determined in the early summer, there is now a great amount of uncertainty now surrounding the project.

## New Principal For TC

After five years of successful leadership at T. C. Williams, [Suzanne Maxey will be retiring as the principal of our City's only high school.](#)

To support the national search being conducted for her replacement, the Alexandria City Public Schools [are conducting an online survey](#) to solicit community input into this important decision.

## 35th Annual Salute to Women Awards

[On Thursday March 26th, the Alexandria Commission for Women will host the 35th Annual Salute to Women Awards.](#)

The event celebrates Alexandrians who make a significant impact on women and girls in our City.

[This year's event will also recognize the 40th Anniversary of the Alexandria Sexual Assault Center.](#)

The event will be at 6 PM at the US Patent and Trademark Office Madison Auditorium at 600 Dulany Street.

## Rebirth of Alexandria's Public Housing

The [Alexandria Redevelopment & Housing Authority](#) (ARHA) is an independent entity, separate from the City, that utilizes Federal funding from the US Department of Housing & Urban Development (HUD) to provide housing to low-income residents of Alexandria.

ARHA directly manages and oversees 1,079 units of affordable housing. In addition, ARHA manages the City's Section 8 Housing Choice Voucher program, which utilizes Federal funding, to provide assistance for another 1,906 low-income families to reside in privately-owned housing units.

At the federal level and around the country, we have seen dramatic changes in how public housing is managed and developed. In the past, the Federal Government has been a proactive participant in bringing about the redevelopment of public housing. This was demonstrated in Alexandria when the City utilized [HOPE VI](#) funding to redevelop 100 units of Public Housing into [Chatham Square](#), a mixed-income development incorporating both market-rate and Public Housing.

Now in 2015, the Federal Government is forcing changes in public housing with its inaction. Today, HUD only funds 73% of every dollar required to operate Alexandria Public Housing units. The balance of revenue that ARHA collects as rent is not sufficient for sustainable management of their properties, and with the effects of sequestration, this is likely to get worse.

With aging properties sitting on valuable land, ARHA is now looking at the highest and best use of its land to preserve housing for low-income residents in our City.

Over 30 years ago, the City Council adopted [Resolution 830](#), which required the replacement of any public housing unit that was displaced by redevelopment. In past redevelopment efforts, replacement units have been obtained and created throughout our City.

In 2008, the City Council adopted the [Braddock East Master Plan](#), which called for redevelopment of several aging public housing properties. By allowing additional density near existing transit, it was designed to encourage private partnership in the redevelopment of this housing.

Today, under this Plan, James Bland Homes are becoming [Old Town Commons](#). This redevelopment activity has proven successful in providing a sustainable model for mixed-income housing in our City.

Last fall, with these experiences and lessons behind us, ARHA issued an RFP (Request for Proposals) to solicit proposals from private developers for the potential redevelopment of 7 additional properties: Cameron Valley (built in 1985), Andrew Adkins (built in 1969), Samuel Madden (built in 1945), Ramsey Homes (built in 1942), Hopkins Tancil (built in 1945), Ladrey (built in 1968), and the ARHA Headquarters building on North Fairfax Street.

As they have continued through the process, ARHA narrowed the number of properties down to five: Andrew Adkins, Samuel Madden,

Hopkins Tancil, the ARHA Headquarters building and Cameron Valley.

ARHA has now qualified several developers for each of the five properties, and they will spend the remainder of the year choosing a development partner for each.

Around a year from now, ARHA and its private developers will begin the City process to gain approval for development.

As ARHA begins this effort in cooperation with the City, we will have a historic opportunity to partner with the private sector and provide new housing for a variety of income levels near existing transit in our City. This effort will also provide financial stability for ARHA in the face of continued change at the Federal level.

### Feeling Blue on the Blue Line

Last Summer, I wrote about the challenges with the opening of the Silver Line.

From the early days of the Metro Rail system, the tunnel under the Potomac River, connecting the Rosslyn Metro Station in Arlington with the Foggy Bottom Metro Station in Washington, has been the most significant chokepoint in the system. Today, the tunnel can carry 26 trains per hour in each direction.

As the areas of Fairfax County at the end of the Orange Line have grown, so have the demands on this sole tunnel connection to our nation's capital. With the opening of the Silver Run, the situation has reached a breaking point.

In preparation for and to allow the opening of the Silver Line, [Metro implemented a series of changes to the Blue Line to free up capacity in the Rosslyn tunnel.](#)

As a result, the Blue Line which previously provided rush-hour service every 6 minutes to Alexandria residents boarding at Van Dorn, Braddock Road, and King Street Metro, now runs every 12 minutes. In the event of a service disruption, this frequency can be much less.

To provide alternatives for these riders, Metro has expanded Yellow Line service. It utilizes the other above ground Potomac River crossing between the Pentagon and L'Enfant Plaza. As a Yellow Line commuter myself, this additional service has been a nice improvement. They have also deployed longer eight-car trains during rush hour on the Blue Line, as well as expanded some regional bus service to ease the crunch.



While these alternatives certainly help, they do not address the underlying issue, which is a lack of a capacity in the system, most acutely in the tunnel under the Potomac River.

Overall, Metro's answer to the long-term challenges that ail the system is the [Momentum Plan. This ten year Strategic Plan lays out a significant list of improvements to allow continued growth in the region's flagship transit system.](#)

Most significant for Alexandria is the Momentum Plan's vision for [new Blue Line connections](#). These additional connections, coupled with a future plan to add a new crossing, represent the only "concrete" ways to relieve the pressure on the Rosslyn tunnel.

However, as with anything of this magnitude, the cost for implementing most of the Momentum Plan is immense. Metro is unique among transit systems around the country in that there is no dedicated funding source. Metro must rely on contributions from the federal, state and local governments that it serves.

In the current fiscal year, [the City will provide \\$31.5 million to Metro to fund our portion of its overall operations](#). Additionally, we provide another \$5.3 million in support of their capital budget.

Many jurisdictions, including the Alexandria City Council earlier in the year, have endorsed the Momentum Plan. However, obtaining funding to implement it will be challenging during this difficult financial time.

To provide the City with interim options, I requested that our staff work with Metro to identify new Blue Line transit alternatives that could be put in place in the near term.

The result of the request was one "no-cost" option and three costly proposals.

For no-cost, the City and Metro could better promote the [existing Metrobus 7Y service](#), which serves several locations on the City's West End, including Southern Towers and Mark Center before continuing on to the Pentagon. Farragut Square, and the DC Convention Center.

The first new service proposal would be a new frequent bus service between the Pentagon and Dupont Circle. This would require a \$700,000 annual subsidy to support in addition to a significant capital investment to cover new buses.

Another alternative for new service would be new bus service (every 30 minutes) from several West End locations to Dupont Circle. This would require an additional \$300,000 of annual subsidy in addition to capital investment for the new buses.

The final alternative would be an enhancement of the [existing Metrobus 11Y service](#) to add service down the brand new Route 1 Transitway prior to heading to downtown DC. This would require an additional \$115,000 of subsidy in addition to capital investment for the new buses.

While all of these options would provide alternatives to the challenges of the Blue Line, they are quite costly in a difficult budget environment.

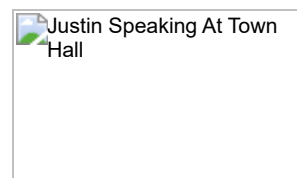
We will continue to evaluate these and other options as we move forward.

### Host a Town Hall in Your Living Room!

My regular series of Town Hall Meetings continue!

You supply the living room and a bunch of your friends and neighbors. I will supply a member of the Alexandria City Council (me) with the answers to any of your questions about our City.

Just [drop us a line](#) and we'll get a Town Hall on the calendar! Thanks for the interest!



## Upcoming Issues

### A Taxing Experience

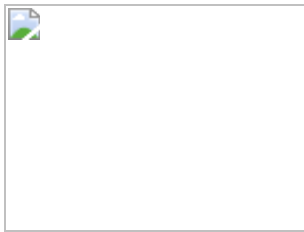
In February property owners throughout Alexandria received something in the mail from the City, and unfortunately it was not a Valentine's Day card. Earlier last month the [City released the assessments for each taxable and non-taxable property](#) within our limits. Individual property owners [can view their assessments \(for this year and previous years\) online](#).

This year's assessment report is a mixed bag for the City and its taxpayers. Overall, the City's real property tax base increased by 3.5% to \$37.15 billion. That's a larger increase than the last two years and in a [very challenging environment regionally](#), it shows that the market still perceives Alexandria as a valuable place to live and conduct business.

Yet, when we peel apart the numbers a bit, there are storm clouds on the horizon. Overall, the City's real estate tax base has just now returned to our 2006 peak, prior to The Crash.

While the real estate tax base grew by \$1.24 billion, \$504 million of that increase (nearly half) came from new development. A full \$424 million of that growth comes from residential new construction. While still typically a net gain to the City's taxpayers, residential properties do generate additional costs at the same time.

Our real estate weakness continues to be with our commercial properties. While our commercial tax base increased 2.37%, that number is fairly deceptive. In Virginia, a multi-family apartment building is considered a commercial enterprise and thus is taxed as a commercial property. If you remove the residential properties that are taxed as commercial properties, the City's commercial (non-residential) properties increased by 0.53%. If you drill down even further and remove the \$80 million of new (non-residential) commercial development from the mix, it means that the valuations of existing commercial property (non-residential) in the City actually dropped by \$36 million this year compared to the previous one.



Shrinking demand for office space that is not in close proximity to transit is having a devastating effect on our office vacancy rate.

As a residential taxpayer, this should be very troubling. This means that [nearly 75% of the City's real estate tax base is residential](#), a new high. Said another way, the homeowners and renters in our City are paying the highest share of the cost for our government than they ever have, and the problem may in fact be getting worse.

This is exactly why economic development initiatives like [Potomac Yard Metro](#), [Landmark Mall redevelopment](#) and the [Waterfront Plan](#) are so vitally important to our City's future. Each of those efforts are designed to improve our business environment, to increase our commercial real estate tax base and increase commercial consumption-based taxes.

The report also noted that overall \$1.22 billion of our City's real estate tax base has been developed within the past 5 years. That property brings in over \$12 million a year in real estate tax. That means our City's real estate tax rate is about 4 cents cheaper as a result of the development in the past 5 years.

The City does not always get the assessment right the first time. If you believe that your assessment was incorrect, the first step is to request a review. [These requests can be filed online or on paper and must be filed prior to Monday March 16th](#).

## Budget Arrives On Tuesday

Last year I wrote about my desire for our City to move to multi-year operating budgets to better capture and account for the impacts of budgetary changes. In response, our budget staff proposed a new five year financial plan to accomplish the same result.

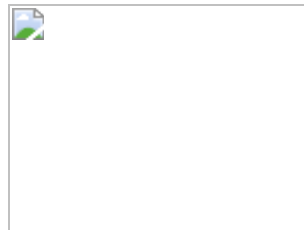
In December, the City released its first [Five Year Financial Plan](#).

Integral in this new plan is the long-term revenue and expenditure picture. This provides the City with a preview of the city spending and tax revenue, while enabling Council and Staff to account for the impact of proposed changes.

The good news is that we have a new tool with which to project the City's future financial picture.

The bad news is that we have a financial structural imbalance that is not going away anytime soon.

The plan shows a \$16.1 million shortfall for the upcoming FY 2016 budget. This shortfall is largely due to planned increases in City spending and continued stagnation of City revenues. Unfortunately, since the preparation of this plan, the picture has gotten worse.



Our current projections are that revenue will grow by little more than a half of a percent next year.

Said another way, the City expects to have about \$4-\$6 million of new revenue in next year's budget. As a frame of reference, the following new spending initiatives will be competing for that \$4 million, and more:

The Alexandria City Public School Board has yet to adopt their budget, but [the School Board has adopted a budget](#) that requests an additional \$9.2 million from the City. Student enrollment is projected to grow 3.7% next year, and this request would constitute a 4.8% increase from the City.

The Washington Metropolitan Area Transit Authority (WMATA/Metro) [has tentatively requested an additional \\$4 million from the City](#).

There [has been advocacy on behalf of resolving long-standing pay inequities within our Police Department](#). "Fixes" for those issues vary, but will certainly be expensive.

There remain millions of dollars of unmet infrastructure needs within our capital budget.

Even without new initiatives or further shocks, we are facing one of the most challenging revenue environments since the depths of the Great Recession that occurred seven years ago.

[The City continues to reach out for input in this upcoming process. In addition to the Acting City Manager's presentation of the budget on Tuesday at City Hall, he will also bring a similar budget presentation to Tucker Elementary on Thursday from 6:30 - 8:30 PM.](#)

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