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The Council Connection

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

Alexandria, Virginia

October 1, 2017

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It's hard to believe Fall is here, but I hope you are enjoying the cooler weather.

Unfortunately, far too many people are suffering around our nation right now in the aftermath of historic storms.

Please join me in contributing to the One America Appeal by Presidents Obama, Bush, Clinton, Bush and Carter.



Closer to home, a 3 year

old boy tragically lost his life in an automobile crash in Arlandria last weekend. Alexandria non-profit Casa Chirilagua has set up a fund to benefit his family during this time.

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

Council Initiatives

Attracting Amazon

Today the National Science Foundation (NSF) is completing their move to Eisenhower Avenue in Alexandria. With 2,100 employees and contractors, and an agency that attracts tens of thousands of overnight visitors each year, this is a big win for Alexandria.

The competition to attract NSF was heated, and the win was a homerun for the City and its taxpayers.

At the beginning of last month, the technology behemoth Amazon announced a search for a new headquarters. The solicitation envisions \$5 billion of investment and nearly 50,000 employees slated for this new facility. If NSF was a home-run, Amazon is a walk-

Smoke Detector Installation Request

Real Estate Tax Receipt Calculator

License Your Dog or Cat

Report a Street Light Outage

Events/Updates

Register & Vote Now!

It will be a crowded ballot in November with elections for Governor, Lieutenant Governor, Attorney General, House of Delegates member, Sheriff and Commonwealth's Attorney before voters.

Monday October 16th is a deadline to register to vote to participate in the Tuesday November 7th election.

Absentee voting has now begun in person and by mail.

Later this month, extended in-person hours are available at the Registrars's office at 132 North Royal Street, as well as Beatley Central Library at 5005 Duke Street.

Sample ballots are now available online, with a ballot available for those in the <u>45th House of Delegates District</u> and one for those in the <u>46th House</u> of Delegates District.

I'll see you at the polls!

Art on the Avenue

The region's premier arts and music festival returns to Mount Vernon Avenue on Saturday!

From 10 AM until 6 PM, Del Ray will be filled with arts, food, music and 70,000 of your closest friends.

I'll see you there!

Leaf Collection

off grand-slam in the bottom of the 9th inning in game seven of the World Series.

The City of Alexandria has several areas that would make an

excellent home for Amazon and we will be submitting a response prior to the deadline later this month.

It is difficult to imagine any eligible jurisdiction in America not competing to win this solicitation. The



competition will be fierce. The City will work to win, but that's not the point of this newsletter update.

Whether Amazon's future headquarters ends up in Alexandria or not, we can all learn a bit from the solicitation itself. When one of the most innovative companies on the planet puts out a very clear blueprint for how it approaches choosing where to invest, it would be foolhardy for jurisdictions not to pay attention.

The solicitation validates some of the policy we have made in our community in recent years, and should prompt us to redouble our efforts in other policy areas.

To begin, Amazon wants to be in a Metropolitan area. They know that their workforce of the future will be drawn to urban communities.

They want connectivity. The solicitation specifically cites: "sidewalks, bike lanes, trams, metro, bus, light rail, train." The City's efforts to invest in new transit alternatives, enhanced pedestrian infrastructure and transit-oriented communities are not just efforts to improve the quality of life of our existing residents, but significant economic development efforts. These are valuable things to people and businesses, big and small.

They want sustainability. Amazon is the largest purchaser of renewable power in the nation and they are looking for a new headquarters that gives them the opportunity to expand their leadership in this important area. Their existing headquarters uses "district energy" that recycles heat from data centers to warm nearby offices. Three of the City's recently adopted small area (Eisenhower West, North Potomac Yard and Old Town North) plans call for district energy as a sustainability effort in planned redevelopment. We are preparing to update our green building standards to ensure sustainability is a critical component in future private development.

They want a community with superior information connectivity. They seek details on fiber and communication infrastructure.

They want an educated workforce. They are looking for areas with strong institutes of higher education.

They want an area where their employees will want to live. They cite the need for a diverse community with a variety of housing types and recreation opportunities.

Amazon's new headquarters would be a valuable addition to Alexandria. Yet, whether we win or lose this solicitation, the process should be instructive. The innovative companies of this decade and beyond will all seek a similar model for their future investment.

Growing sustainably while preserving our neighborhoods will require the City to be responsive to this roadmap for the future. The annual City's leaf collection effort begins at the end of this month on October 30th.

Residents may bag leaves using bags that can be picked up from a variety of City government sites.

Additionally, the vacuuming of leaves placed on curbs will begin.

Commonwealth's Attorney Community Academy

Alexandria's
Commonwealth's Attorney,
Bryan Porter is introducing
the first ever "Community
Academy."

Scheduled on Wednesday November 8th from 6 PM until 9 PM, this program will introduce residents to the office charged with prosecution of criminal offenses in Alexandria.

Space is limited. RSVP by e-mail today!

TD Tree Days Planting at Four Mile Run Park

With grant support to
TreeStewards of
Alexandria/Arlington
through the Arbor Day
Foundation, TD Bank, and
Alliance for Community
Trees, TD Bank volunteers
are helping to plant a 'food
forest' at Four Mile Run
Park.

The event will be held on Thursday October 5th.

Harness The Sun!

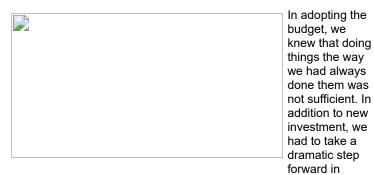
From now through October 15th, you can sign up to participate in Solarize Alexandria.

Solarize Alexandria is a partnership between the City, the Northern Virginia Regional Commission, and LEAP.

The goal is to increase the deployment of solar power

Municipal Facilities

The City Council's adoption of the City's Operating and Capital Improvement Budget in May included making a new 10 year commitment to invest in our municipal facilities.



bringing together the disparate visions of the City and School municipal facilities plans.

To do so, we created the new Ad Hoc Joint City-Schools Facility Investment Task Force. This blue-ribbon group brings together significant expertise to help the City prioritize and streamline a municipal facilities vision that ensures the success of City and School services for decades to come.

Despite large efforts to address deferred capital investment in recent years, the City stands at a crossroads. With a perfect storm of infrastructure needs for school, sewer, city facilities, transportation and recreation, the practices of the past will not sustain us in the future.

- Only three school systems in the Commonwealth of Virginia have grown more than ours in the last decade. We're the only one of the top four growing systems to have not constructed a new building (only renovations) during that period.
- The City's sanitary sewer, stormwater sewer and combined sewer remediation challenges are not areas that can be deferred any longer.
- Our city facilities reflect decades of neglect and require millions in maintenance.
- The challenges of the Washington Metropolitan Area Transit Authority (WMATA) have demanded dramatic increases from each member jurisdiction. For Alexandria, those increases have dominated our local transportation funding sources.
- The little funding that has remained for basic recreation services to support quality of life in our community has fallen victim to budget reductions.

The City Manager's proposed Capital

Improvement Program included \$2 billion of investment over the next decade. Yet the constraints of the Council's guidance and paltry projected revenue growth left over \$500 million of recommended, but unfunded, capital investments.

That \$500 million of unfunded capital investments serves as a hidden debt on our municipal balance sheet. Yet instead of the 2.5% rate (the true interest cost of our most recent debt issuance) that we are paying for the City's actual debt, this hidden debt is costing us much more.

With construction costs <u>climbing at an annual rate of nearly 5%</u> and the costs of patching, retrofitting, and otherwise "buying time" with existing aged infrastructure growing regularly, this hidden debt is far more onerous than the well-managed municipal debt load the City carries.

generation in our residential communities.

The program begins with a free assessment from the program installer. Sign up today!

Halloween Parade

The 21st Annual Del Ray Halloween parade returns to Mount Vernon Avenue on Sunday October 29th.

Free for all ages, the parade features prizes for the best decorated homes, strollers, businesses and pets.

It starts at 2 PM. I'll see you there!

Metrobus Route Changes

The Washington Metropolitan Area Transit Authority (WMATA) is considering changes to several Metrobus routes.

Until tomorrow morning, WMATA is requesting input on these changes via a survey. Express your opinion today!

Car Tax Due On Thursday

Payments for the Vehicle Personal Property Tax are due Thursday, October 5th.

There are many ways to pay online, in person, or by mail.

In June the City Manager constituted the new Ad Hoc group, and they have now held several meetings as a group and among a few subcommittees. You can watch the meetings and read the materials online.

The group welcomes public input at their meetings and in writing.

This group has arguably one of the most important tasks of any recent City group. I look forward to their recommendations later in the fall. Please give them your thoughts.

Growth and The Future of Alexandria

A staple of local government politics and civic activism is controversy over the nature and pace of growth. Policy-making on growth shapes election results, future economic vitality and ultimately the health of municipal budgets.

Locally, we try to use development policy to our advantage, to improve our infrastructure, environmental impact and enhance our City's quality of life. Left to the fluctuation of annual budget appropriations, we struggle to make these investments.

From the 2000 Census to the 2010 Census Alexandria was actually one of the SLOWEST growing jurisdictions in Northern Virginia.

We added 9.1% growth to our population during that period. That compares to 9.6% in Arlington, 11.5% in Fairfax County, 84.1% in Loudoun and 43.2% in Prince William.

Yet since the 2010 census, it is clear that the pace has picked up. Current census estimates suggest that in the first 6 years of the decade, our population has grown 11.3%, greater than Arlington and Fairfax, but still a bit behind Prince William and far behind Loudoun.

A decade of planning for future development in our City, coupled with some signs of economic recovery, has meant that the pace of new development quickened during the first half of the decade.



In 2011, in the worst of the recession, the City added \$92 million to our tax base from new residential (single family and condominium) and multi-family rental development. In 2015, the City added more than six times as much with \$424 million of new residential development.

Yet since that time,

overall residential development has dropped in half and multi-family reached only a quarter of its 2015 number.

Each development effort brings an associated need for services (schools, public safety, transportation,etc), but also new revenues. For example, the \$424 million of new residential development in 2015 provides the City with at least \$4.79 million of additional revenue. Stated another way, it provides revenue equivalent to over a penny on our existing real estate tax rate (\$1.13). Even with the cost of services included, the taxpayers of the City net about \$3 million.

Last month, I wrote about the latest sale of properties on the West End in the <u>Beauregard Small Area Plan</u>. The new owner's modest approach to that redevelopment means that \$150 million of City infrastructure (affordable housing, parks, transportation, and public

safety) planned for the redevelopment will likely be deferred indefinitely.

In that same newsletter, I wrote about the latest on the <u>Waterfront Plan</u>, including the travails of Robinson Terminal North. The plan was for residences and a hotel to be built along with significant parks and flood mitigation to be funded by the landowner in conjunction with redevelopment. That property is now back on the market, leaving future plans uncertain.

Almost two years ago, the <u>Council approved the Oakville Triangle</u> <u>and Route 1 Vision Plan.</u> That plan includes parks, affordable housing, streetscape improvements, and pedestrian improvements. Yet since approval of that plan, no action has occurred to proceed with redevelopment activities.

Later in this newsletter I also have written the details of the latest pause on Landmark Mall's redevelopment plans.

The slowing of residential development does provide the City with an opportunity to regroup and assess the impacts of significant recent growth. Yet, it also threatens our ability to leverage that development activity for benefit for Alexandria's taxpayers.

Business Improvement District: What is Next?

In the Spring, before the Council recessed, we were caught up in a debate about <u>a proposed Business Improvement District (BID) for</u> Old Town.

Opinions were varied. However, nearly all involved agreed that our central business district is challenged. During the discussion I requested specific data on retail and dining activity in the 22314 zip code (which includes Old Town). What we learned was alarming. Since 2013, sales tax revenue has dropped in the 22314 zip code every year. At the same time, meals tax revenue has increased. Sales tax revenue Citywide even increased.

After a community worksession and a lengthy public hearing, the Council took its first formal action on the matter in June. You can watch the Council's discussion online.

The Council voted unanimously to refine the proposed BID, distribute a proposed budget and set of performance metrics, and hold a vote of the impacted businesses to determine if there is sufficient support to proceed.

While we were discussing the merits of a BID, something larger was occurring right under our noses. <u>Asana Partners</u>, a real estate entity from Charlotte, <u>was systematically purchasing large swaths of commercial properties in Old Town</u>. With over \$100 million quickly invested in Old Town, and potentially more to come, these acquisitions has the potential to drive considerable change.



One of the arguments for a BID stemmed from the fragmentation of the ownership of Old Town commercial properties. A BID held the potential to bring together varied commercial

interests to advance collective investment around the district. Yet, if the ownership of commercial properties consolidated, that investment could occur unabated, with less coordination required.

It's still early to tell what this means. However, Asana has clearly seen opportunity in Alexandria's central business district. Through the <u>Waterfront Plan</u>, the <u>King Street Retail Strategy</u> and other planning efforts, the City has attempted to shape the future success of Old Town.

Asana has now bought a seat at the table to help shape that future. <u>Last month the City Manager returned to the City Council with his</u> recommendation that we not proceed with a vote of the affected businesses and instead shelve this latest effort to consider a BID..

From the beginning of this latest effort to create a BID, I felt as though the idea had merit, and if sufficient support could be generated within the business community, the City should facilitate its creation. While this latest effort has fallen short in garnering that support, it doesn't mean the needs of our primary business district are any less dire.

With less commercial activity <u>and new competition arriving every day</u>, inaction is a recipe for disaster for the businesses and the taxpayers of our City.

Throughout the BID discussion, there was widespread support for the types of investments proposed to be funded by the BID (marketing, way-finding, maintenance and special events) yet less support for the method of funding those initiatives. Yet with a decade of difficult budgets at the City level, it has been increasingly challenging to fund existing City programs in support of those very policy goals.

No matter how meritorious, it can be difficult to fund destination marketing for Old Town when those efforts compete against schools, public safety, and human services for funding, as well as other business districts which don't receive similar support.

The death of this BID proposal doesn't end the discussion. I imagine this idea will return, as it has before. Yet, we must now devise ways to protect commerce in our City without this tool in our toolbox.

During our upcoming budget process, I look forward to revisiting the conversation about how the City can advance initiatives designed to ensure that Old Town can compete successfully. We just simply cannot afford failure.

Residential Parking In Old Town

One of the perpetual challenges of Alexandria local government is the balance of parking policies between those who reside in our City and those who wish to visit our City, as well as to ensure that no one user monopolizes space on our streets. The City has had the most experience working through these issues in Old Town.

In 2015, the <u>City reconvened the Old Town Area Parking Study</u> (<u>OTAPS</u>) group to make policy recommendations on various parking challenges in the Old Town area. As with similar groups before it, the 2015 iteration of OTAPS grappled with proposals to create "resident-only" parking in areas of Old Town.

While the 2015 OTAPS recommendations did not recommend full "resident-only" parking, they did recommend a more modest approach. The group recommended paid parking in the residential permit restricted zones. These zones restrict parking to residents, but also allow other users to park for free for a short period of time. The OTAPS proposal would allow non-residents to pay instead, using the City's Pango "pay-by-phone" platform.

While this would still allow some non-residents to park (albeit now with a fee), it would make it more likely that most parking in that given block-face would be reserved for residents of the parking district.



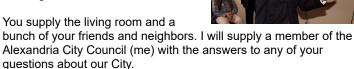
In a surprisingly divided vote of 4-3, the Council approved this program as a pilot effort in November of last year. Between now and March 2019, the City will continue to receive nominations and implement new blocks as appropriate for this program.

Residents of one block have already submitted the required signatures to initiate this program on their street. Residents of three other blocks are in the process today.

I am optimistic that this effort will strike an appropriate balance in an always vexing policy area.

Host a Town Hall in Your Living Room!

My regular series of Town Hall Meetings continue!



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

Upcoming Issues

Landmark Mall

Seventeen years ago, when 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 alone generated \$1.25 million in real estate tax.

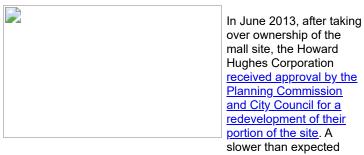
Today, those three properties are assessed at \$24 million, \$13.4 million, and \$10.6 million, respectively. They generate about \$500,000 in real estate tax today, less than half of what it used to.

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.

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

In 2009, the City Council approved the <u>Landmark/Van Dorn Small Area Plan</u>. 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.



leasing market has slowed that company's 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. These changes were approved by City Council in April of 2015.

While no one should be convinced until they see bulldozers knocking down the existing mall site, there is a lot going on, including some significant events earlier this year. Landmark Mall redevelopment has been complicated from the beginning, but I believe we can be cautiously optimistic that it is finally coming together.

- Earlier in the year, 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.
- Mill Creek is now engaged to handle the residential portion of the redevelopment.
- There have been discussions between the City and Howard Hughes about potential public/private partnerships that will help spur the redevelopment.
- 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</u> store property is now owned by the new REIT.

One of the largest impediments to redevelopment has been the presence of three landowners on the site. We now have two landowners on the site and we are getting closer to having one landowner with full site control.

While that is good news, the shift from a modest redevelopment of only the mall site to a more comprehensive redevelopment means some more delays as new plans are submitted for a larger area.

During the interim period a tentative agreement between the Howard Hughes Corporation and <u>Carpenter's Shelter</u> to <u>temporarily house</u> the shelter at Landmark. <u>Carpenter's Shelter</u> is <u>redeveloping their existing shelter</u>, <u>expanding and creating new affordable housing on site in partnership with the Alexandria Housing Development Corporation</u>.

The shelter will be at Landmark for 18 - 24 months, at which time they will return to their new location on N. Henry Street.

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.

Cameron Run

The Northern Virginia Regional Park Authority (NVRPA) was created in the late 1950s as a public land conservation agency serving our region.

Today, the NVRPA is jointly funded and owned by Arlington, Fairfax, and Loudoun Counties, as well as the cities of Alexandria, Fairfax

and Falls Church.

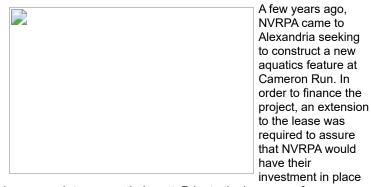
The authority today owns over 10,000 acres of land and serves the dual purpose of land conservancy and recreation agency with parks around the area.

In Alexandria, NVRPA manages <u>Cameron Run Regional Park (which is actually owned by the City of Alexandria)</u>, and owns and manages Carlyle House in Old Town.

In full disclosure, during my 3.5 years off of City Council, I served as one of Alexandria's representatives on the NVRPA Board.

Cameron Run is a very active recreational park, with a wave pool, water slides, batting cages, etc. The property is very profitable for the authority and the existing-40-year-lease-with-the-City-expires-in 2021.

Carlyle House is a historic site, with historical interpretation conducted by volunteers and NVRPA staff. NVRPA heavily subsidizes the operation of Carlyle House.



long enough to recoup their cost. Prior to the issuance of any new lease, the City's Park and Recreation Commission sought to explore alternative uses for the property, as well as address some issues with the existing use.

In the intervening time, the authority came to the City with a new proposal. NVRPA obtained an option to purchase 517 Prince Street in Old Town. This historic property operated a livery stable from 1772 - 1792 and has remained in the ownership of one family for 184 years. It is in remarkably good shape.

After some negotiation, a tentative agreement was negotiated to extend the lease at Cameron Run for 20 years (cancelling the existing lease). In exchange, NVRPA would have purchased 517 Prince Street and operate it as a historic site similar to Carlyle House.

In June of last year, the Council held a public hearing on this proposal and ultimately directed our staff to come back with a framework for how we might plan the future of the Cameron Run site.

That ended the consideration of NVRPA's purchase of 517 Prince Street. The City separately worked with the Virginia Land Conservation Foundation and the Virginia Outdoors Foundation to purchase the property without any City funds.

Since that time, public engagement on the future of the Cameron Run site continued through the Parks and Recreation Commission. During that discussion, NVRPA also presented their own alternative proposal for expanded uses on the site.

The Commission <u>will now present its findings to the City Council later this month</u>. With consultant partners, <u>the Commission analyzed many alternatives for the site</u>. Their recommendation is that the City

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move away from the existing water park use and determine how to bring more active, year-round recreation uses to the site.

I look forward to discussing the feasibility and desirability of this proposal, and the many related policy implications with the Commission.

Let me know your thoughts!

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